

# Lithuania Breaks Away From U.S.S.R.

## Gorbachev: The First 5 Years He Needs a Bold Move, Critics Say, to Survive 5 More

By Bill Keller  
New York Times Service  
VILNIUS, U.S.S.R. — Outside a polling place in Moscow last week, a voter framed the issue as a bitter joke: what is the difference between the Soviet Union and the United States? Answer: "In the United States, Mikhail S. Gorbachev would probably be elected president."

The joke was double-barreled, aimed both at Mr. Gorbachev, who Sunday marked his fifth anniversary as Soviet leader, for failing to live up to his country's expectations, and at the West for worshipping too uncritically at the Gorbachev shrine.

For all his stature beyond his own borders, at home Mr. Gorbachev seems in danger of falling behind the major developments he set in motion: the surrender of the Communist monopoly, the remaking of the Soviet state, the disintegration of the empire, the fiscal birth of a market.

Critics, even among Mr. Gorbachev's devoted admirers, say that without another great leap of political imagination — something to bolster not his institutional power, but his popular authority — he stands little chance of leading his country through the coming period of sacrifice.

One such leap would be to step down as leader of the Communist Party, freeing himself from the obligation to clear his presidential decisions with the old men's club that runs the party. Another would be to agree to

submit to nationwide, multiparty elections, soon if not immediately.

Officials close to Mr. Gorbachev him broadly that both of these are possible. But Mr. Gorbachev has not said so.

It is no longer news that Mr. Gorbachev's subjects grumble about the failed promises of his economic program, the rising prices and shrinking supplies. What is perhaps less understood

is that the public is annoyed with Mr. Gorbachev for being too cautious in the cause of liberty, for failing to satisfy an appetite he himself stimulated.

Lionized abroad for liberating a totalitarian empire, he has never subjected himself to direct elections at home. Indeed, he is now preparing to accept a more powerful new executive presidency, again without giving the public a chance to pass judgment on his performance.

Polls suggest that if Mr. Gorbachev did face a fair election, he would win by default — the pub-

lic has not coalesced around an alternative leader. But his margin of support is declining fast, and with it his ability to motivate. Mr. Gorbachev has largely dispelled the fear that gripped his country, but he has not yet replaced it with trust.

Opinion surveys, election results, and man-in-the-street conversations all indicate that he has allowed an eclectic coalition of opposition forces to steal the slogans of renewal.

"During the first stage of perestroika, it was rather reasonable for him to be in the middle of the road," said Sergei B. Stankevich, a street-smart young member of the loyal opposition in the Soviet parliament.

"But now the potential of this middle-of-the-road policy is exhausted. Natural processes in politics, in the economy, are moving ahead much more quickly than Gorbachev, pursuing a middle-of-the-road policy, can react to them, and the society is developing much more quickly."

To Westerners, the sense of disengagement within the Soviet Union may be hard to fathom. These have been five years of breathtaking world change, with Mr. Gorbachev as catalyst.

If he did not exactly liberate Eastern Europe and single-handedly end the Cold War, he created the climate for the Europeans to liberate themselves by declining to prop up the tired old



Supporters of the Lithuanian independence movement Sajudis gathering Sunday outside the parliament in Vilnius ahead of the vote.

## Pre-1940 Status Restored

By David Remnick  
Washington Post Service  
VILNIUS, Lithuania — The Lithuanian parliament declared the republic independent of the Soviet Union on Sunday and elected a non-Communist as head of state.

The declaration marks the most serious political and legal threat ever made to Moscow's control over one of the 15 Soviet constituent republics.

Lithuania, which was annexed to the Soviet Union in 1940 as part of a nonaggression pact with Nazi Germany, is now demanding immediate negotiations with the Kremlin to work out the legal and economic procedures of secession.

As the parliament announced its vote for independence, about 300 people outside the legislature building broke into cheers. Legislators in the chamber joined hands and shouted over and over, "Lithuania, Lithuania."

The vote was 124 in favor, none against. Six deputies abstained.

The declaration included a change of name from the Lithuanian Soviet Socialist Republic to the Republic of Lithuania.

The new Lithuanian president, Vytautas Landsbergis, a 57-year-old musicologist who helped found the independence movement Sajudis less than two years ago, said that the republic was "not asking anyone's permission" to secede.

"We are acting on our own will, according to the dictates of our own consciences," Mr. Landsbergis said. "Our duty now is to make a reality of the expectations we have created."

The Lithuanian legislature, which was voted into office last month in multiparty elections, also drafted an appeal to President Mikhail S. Gorbachev asking him to withdraw all Soviet Army troops and KGB security forces from the republic's territory.

One legislator said that Lithuania would "no longer tolerate the rule of an empire."

Lithuania, like its sister Baltic republics of Latvia and Estonia, was part of the Russian empire but gained independence in 1918, only to lose it again in 1940, after Stalin's troops occupied its territory.

In Washington, the White House on Sunday urged the Soviet Union to respect the decision of the

## Gorbachev Rejects Calls to Change Name of Communist Party

By Michael Dobbs  
Washington Post Service  
MOSCOW — President Mikhail S. Gorbachev on Sunday rejected calls for the Soviet Communist Party to follow the example set by the party in Eastern Europe and change its name in an attempt to restore flagging authority.

Mr. Gorbachev's forthright defense of the party's ideological identity came on the eve of a parliamentary session that is expected to pave the way for a multiparty system and introduce a presidential system of government.

It also coincided with the first declaration of independence by Lithuania, one of the country's 15 constituent republics.

Addressing a plenary session of the policy-making Central Committee, Mr. Gorbachev called for "drastic changes in the party statutes and election procedures to make it more responsible to its 18 million members. But he ruled out any transformation of the party, which has exercised monopoly power in the Soviet Union for 73 years, into a socialist or social democratic party along Western or even East European lines.

Mr. Gorbachev, who on Sunday marked the fifth anniversary of his election as party chief, noted that there was "a lot of talk" about how the Soviet Communist Party had "outlived its usefulness" and should change its name.

"I believe that this proposal cannot be accepted," the Soviet leader said, according to a partial transcript provided by the Soviet news agency Tass. "Its implementation would be a serious blow to the party's ideological foundation and disappoint many members and nonparty people who support it as a party of lofty ideals," he was quoted as saying.

Mr. Gorbachev's refusal to abide a name change for the Soviet party may antagonize radicals who have been calling for its transformation into a social democratic party. Mr. Gorbachev's stand could encourage defections by progressives prior to a special party congress that is now due to convene in Moscow on July 2.

Many progressives will carefully evaluate the Central Committee session before deciding whether to remain within the party or to establish a leftist organization with a social democratic orientation. But Mr. Gorbachev has evidently decided that he cannot afford to further upset orthodox party members already disturbed by the decision to give up the legal monopoly of power.

Over the past few months, formerly all-powerful Communist parties in many East European countries have changed their names and jettisoned Leninist ideology in an attempt to spruce up their electoral image. But such a move is more difficult for the Soviet party, which still regards itself as the keeper of the flame of the world's first socialist revolution.

Mr. Gorbachev told the Central Committee that a change in the party's identity would have serious "international" implications, undermining allied parties "that up-

## Israel Government Fails to Resolve Crisis

By Jackson Diehl  
Washington Post Service  
JERUSALEM — Israel's political crisis deepened Sunday when the cabinet failed to agree on whether to accept a U.S. proposal for Israeli-Palestinian talks, and the Labor and Likud parties prepared for the possible collapse of the coalition government.

Labor Party ministers, which had threatened to leave the government if the U.S. proposals were not accepted, decided to ask the party Central Committee on Monday to authorize "whatever steps are necessary to advance the peace process," Israel Radio said.

Labor officials said the move set the stage for a possible vote of no confidence by their party in the 15-month coalition government during a session of the Knesset, or legislature, this week.

Officials of Labor and Likud also renewed contacts with representatives of Israel's small religious parties to explore the possibility of setting up a government that would exclude the other major party. If the current government falls and such efforts fail, elections will be called.

The rash for political positions followed a meeting of the government's inner cabinet, which confirmed the deadlock between the

rightist Likud and the leftist Labor over how to respond to the latest diplomatic formula advanced by Secretary of State James A. Baker 3d. Labor ministers walked out of the meeting after Prime Minister Yitzhak Shamir rejected a demand by Deputy Prime Minister Shimon Peres that the cabinet vote on Mr. Baker's plan.

Moderates in both parties continued to express the hope that some kind of compromise could be worked out in the coming days to preserve the government.

An aide to Defense Minister Yitzhak Rabin said he did not know if there was a chance to preserve the government. Mr. Rabin has long been considered the strongest Labor supporter of the coalition.

Mr. Baker is seeking Israel's consent for a framework that would set up talks in Cairo between Israel and a delegation of Palestinians from the occupied West Bank and Gaza Strip. The Palestinians would negotiate with Israel about its plan to hold elections in the occupied territories for a second group of Palestinian representatives who would then negotiate self-rule.

Mr. Shamir and his cabinet allies continued to insist their Likud party could not agree to the formula



See ISRAEL, Page 4

## In Valparaiso, a Dictator's Garish Legacy

By Eugene Robinson  
Washington Post Service  
SANTIAGO — The new Congress hall in Valparaiso, where Augusto Pinochet surrendered the presidency on Sunday, is one of the more garish monuments to the dictator's 16-year rule.

More palace than office building, it fills a city block. The dominant element is a soaring portico flanked by a dozen columns with bases and capitals of polished red granite.

The new administration is not sure what to do with the building, which cost between \$50 million and \$60 million, with its computerized climate-control, its interior walls sheathed in gray Italian marble and its huge chandelier from the Netherlands. It is still not finished.

The major problem is that the building is in Valparaiso, 70 miles (110 kilometers) from Santiago. The logistics of having the seats of executive and legislative power so far apart seem problematic.

But the new government will have to use the building for something. The foundations were laid just a year ago, but General Pinochet has had construction crews of up to 2,000 men working around the clock. Like much that the general leaves, it is a fait accompli.

And just outside the construction fence sprawls a different kind of monument to the Pinochet years — a teeming open-air bazaar, where on a recent weekday morning José Fariña, a cobbler, was trying to sell shoes.

"I can make just enough money to subsist, but it's impossible to get ahead," he said. "Ask anyone around here, and they'll tell you that after Pinochet, things are worse."

General Pinochet's Chile has been the economic wonderkind of Latin America, generating steady



General Pinochet shortly before yielding office Sunday. Page 4.

## Pressure on the Prime Minister

Prime Minister Margaret Thatcher of Britain at her country home Sunday after three newspapers published polls showing that at least one-quarter of Conservative Party lawmakers believed that she should resign before the next general election, which must be held by mid-1992. The polls reflect fears in the party that the prime minister may have turned into a liability.

## Avril Quits, Haiti Awaits Civilian Rule

Compiled by Our Staff From Dispatches  
PORT-AU-PRINCE, Haiti — Opposition politicians said Sunday they were confident that the military would hand over power to a civilian-led government. But they called for a strike unless Lieutenant General Prosper Avril, who resigned Saturday, leaves the country.

There were reports that at least 18 persons had died in violence over the weekend. An independent radio, Métropole, quoted officials from the city's main hospital as saying that up to 100 people were treated for injuries.

As sporadic violence continued Sunday, soldiers appeared to be staying in their barracks, leaving the police to maintain order.

General Avril, 52, who came to power in an army revolt in September 1988, resigned after five days of violent nationwide protests against his military government. In January, he had cracked down on opposition leaders, declaring a 10-day state of siege.

Control of the government passed to the army's chief of staff, Brigadier General Hérard Abraham, who said Saturday on state

## Beijing's Intransigence Stings Bush

By Robert Pear  
New York Times Service  
WASHINGTON — President George Bush and officials in his administration say they are disappointed by the failure of China to relax its repressive rule in response to numerous conciliatory gestures.

He acknowledged in recent congressional testimony that repression continued after his visit to China, that there has been no "rapid payoff" from Mr. Bush's policy and that China has no plan to lift martial law in Tibet.

Mr. Eagleburger secretly visited Beijing with Brent Scowcroft, the president's national security adviser, in July and December.

Administration officials say the crackdown has become harsher in the last few months, with more surveillance of dissidents, more political education classes for students, more restrictions on overseas study and more persecution of the Roman Catholic Church and other religious groups.

They also said Beijing has recently purged or punished many Chinese journalists and police officials who expressed support for the democracy movement or did not take a firm stand against it.

Still, trade with China was booming even as repression in-

### Kiosk

#### Keep Hostages, Iranian Urges

TEHRAN (Reuters) — A leading Iranian radical has urged Lebanese kidnappers to keep their Western hostages, saying freeing them would "unleash the blood-drinking wolves."

The former interior minister, Ali Akbar Mohtashemi, praised Islamic Lebanese and Palestinian groups, saying that with Iran's inspiration they had won victories against the superpowers.

#### Protests in Mongolia

BEIJING (Reuters) — About 5,000 Mongolian Communists on Sunday held their first rally in Ulaan Bator, the capital of Mongolia, criticizing newly formed opposition movements as undemocratic and calling two of their leaders traitors.

#### Senna Wins Prix

PHOENIX, Arizona (Reuters) — Ayrton Senna of Brazil, driving a McLaren, won the U.S. Grand Prix Formula One race here on Sunday. Jean Alesi of France was second in a Tyrrell and Thierry Boutsen of Belgium, driving a Williams, finished third.

### MONDAY Q&A



Zara Steiner, an American historian, says the real hope for peace in Europe is a strengthened European Community. Page 2.

### Business/Finance

Industrialized nations are locked in debate over plans for an East European development bank. Page 9.

### Sports

Jennifer Capriati's whirlwind professional tennis debut was ended Sunday by Gabriela Sabatini. Page 16.

### Personal Investing

After a rash of euphoria about the opening of Eastern Europe, investors are showing signs of caution. Pages 13-15.

### Crossword

Page 3.







# Guerrillas In Poll in Colombia

## They Disarmed To Get on Ballots

Compiled by Our Staff From Dispatches

**BOGOTA** — Colombians went to the polls Sunday to elect local and legislative officials, two days after a leftist guerrilla group signed a peace agreement with the government and joined the political campaign.

The names of several former guerrillas of the April 19 Movement, which had waged a 16-year war against the government, were on ballots. They had turned in their arms Thursday.

But other Marxist-led guerrilla groups have stepped up their activities in recent days in an effort to disrupt the elections.

The government placed 230,000 soldiers and police officers on guard at polling stations and military and petroleum installations. It said that only a few southern and northeastern towns were threatened by the guerrilla drive.

But scores of politicians have died during the campaign, and three leftist politicians and two candidates of the governing Liberal Party were killed Friday and Saturday, the police said. In addition, two soldiers guarding voting precincts in the town of Chaparral were killed late Saturday by unknown gunmen.

There were no reports of violence Sunday as polling began. But there were some signs of voting irregularities. The president of the Electoral Registry, in charge of monitoring the vote, announced last week that the authorities had caught people registering two or more times in order to cast several ballots.

Voters in Colombia's first primary-style ballot, were also deciding who would represent the governing Liberal Party in presidential elections on May 27. Six "pre-candidates" have campaigned for the past six months.

There are three front-runners among the Liberals — César Gaviria, Hernando Durán Dussan and Ernesto Samper — and one is expected to win the primary and succeed President Virgilio Barco Vargas in the office after presidential elections May 27.

The Conservative Party and the Patriotic Union used the traditional party conventions to choose their candidates, Rodrigo Lloreda, Calcedo and Bernardo Jaramillo, respectively.



Carlos Pizarro, leader of the M-19 guerrilla movement, arriving at a center to turn in weapons.

### Weapons Melted Down

Douglas Farah of The Washington Post reported earlier from Santo Domingo, Colombia:

The M-19 Movement, once one of the most violent and feared armed groups in Latin America, has begun its role in civilian political life with guerrillas turning over their guns to representatives of the Socialist International.

The weapons were melted into scrap iron at a refinery in the city of Cali last week.

"We all know that what we are doing is not easy," said Mr. Pizarro, the M-19 leader, in his last address to his troops in a rebel camp in Santo Domingo, in the mountains southwest of Bogotá. "Some of us have been fighting for years. This is our most difficult step."

His troops, dressed in camouflage uniforms, then marched across the dusty village square and laid their weapons, wrapped in red, yellow and blue M-19 flags, on a table as an officer gave the order: "For Colombia and for peace, lay down your arms."

More than 400 of the former guerrillas took off their uniforms and burned them, picked up freshly supplied civilian clothes, shoes and suitcases for their meager personal belongings and boarded buses for the dusty ride down the mountain road to begin life as civilians.

Mr. Pizarro, running for mayor of Bogotá, met with Mr. Barro in the presidential palace.

"Citizen Carlos Pizarro and members of the M-19, welcome to democracy," Mr. Barro said.

Many of Mr. Pizarro's former comrades in arms are seeking congressional seats.

Political analysts give them little chance of winning, but government sources say that Mr. Pizarro may act as an official mediator between

the government and other leftist guerrilla groups in any future peace talks.

In exchange for returning to civilian life, M-19 members were granted amnesties and were promised that a constitutional amendment granting the group special treatment in the next elections would be proposed.

The amendment would create an electoral formula that would virtually guarantee that the M-19 would gain seats in the national legislature.

But the history of legal leftist politics in Colombia is not encouraging. In 1985, the Patriotic Union, a coalition of leftist forces including the Communist Party, was formed. The Patriotic Union has become the third-largest party in the country, although much smaller than the Liberals or Conservatives, but 1,030 of its members have been assassinated.

NEW YORK — Sooner or later, anyone whose work involves issues related to AIDS could encounter the militant tactics of the group called Act-Up.

For some scientists and federal officials, it happened last August at a public meeting of the Food and Drug Administration in Washington.

Larry Kramer, a New York playwright, took the floor.

"I helped found Gay Men's Health Crisis and watched them turn into a sad organization of sissies," he said. "I founded Act-Up and have watched them change the world."

Then, in a speech punctuated by obscenities, came the threats.

Mr. Kramer demanded that people with AIDS be allowed to take experimental drugs "with as few strings attached as humanly possible" while the drugs are being tested.

"If we do not get these drugs, you will see an uprising the like of which you have never seen before since the Vietnam War in this country. We will sabotage all of your Phase II studies," Mr. Kramer said, referring to the clinical trials required to test a drug's efficacy.

"Our chemists will duplicate your formulas," he said.

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Yet Act-Up, the acronym for the AIDS Coalition to Unleash Power, got its way: The FDA decided to allow drug companies to distribute experimental drugs to AIDS patients while the drugs were in clinical trials.

# AIDS Group Intimidates Researchers

By Gina Kolata

New York Times Service

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"My impression was that the administrators at that meeting were afraid of Act-Up and were taking a position to avoid being attacked by them rather than in the best interests of science," Dr. Meier said. "I find that very distressing."

Act-Up, a loosely organized group of AIDS patients and their advocates that formed in 1987, represents a new element in American science.

Many scientists say they fear that the immediate gains of Act-Up will come at the expense of long-term AIDS research, and will alienate scientists or drive them from the field.

"There never was a politically savvy group of sick people before," said George Annas, director of the Law, Medicine and Ethics Program at the Boston University School of Public Health.

Mr. Annas said that other groups, like cancer patients, "have never been very effective" because "other than their cancer they don't have anything in common."

Among homosexuals, however, there is a cohesiveness and a body of experts in politics, press relations, advertising and law that they deploy to fight for their agenda.

Mark Harrington, an Act-Up member who said he disagreed with some of Mr. Kramer's threats, said researchers and administrators "should be afraid of our power."

"The rapidity with which the FDA has changed is a testament to our power," he said. "That's what we intend to do now for the research process itself — speed it up. It's time for the community to help call the shots."

Mr. Kramer predicted that the threats and demonstrations would intensify.

Government officials and scientists have been harassed for disagreeing with some of the group's proposals.

Dr. Jerome Groopman, an AIDS researcher at the New England Deaconess Hospital, said that when he and Martin Hirsch, a researcher at Harvard Medical School, gave a lecture two years ago on the AIDS drug AZT, Act-Up members disrupted it, calling Mr. Hirsch a Nazi for promoting AZT.

The group now believes AZT is helpful in slowing the progress of the disease.

**Lethal Experimental Drug**

At least seven AIDS patients have died from the adverse effects of DDI, a highly regarded experimental drug that has been distributed free to thousands of people infected with the AIDS virus, The Washington Post reported.

Federal health officials said Saturday that they had asked the drug's manufacturer, Bristol-Myers Squibb, to send a letter to doctors treating patients with DDI, reminding them of its hazards. Early use of the drug had been demanded by Act-Up. About 8,000 people are taking DDI.

**Doctor Gets \$1.35 Million**

Dr. Veronica Prego, a doctor who had sued the New York City hospital system for \$175 million because she said she contracted AIDS by pricking her finger on a syringe negligently left on a patient's bed, is to be paid \$1.35 million for settling her suit, The New York Times reported. The judge reversed himself Friday after earlier ordering that the amount not be disclosed.

## Former Leaders In Tokyo and U.S. Plan a Meeting

New York Times Service

TOKYO — A group of former U.S. and Japanese officials is reported to be planning a conference on mutual problems that is to be attended by several former American presidents and Japanese prime ministers.

A Japanese newspaper said Saturday that the meeting, in Hawaii, is scheduled for May and is to be attended by former Presidents Ronald Reagan, Jimmy Carter and Richard Nixon. Also expected, it said, are former Prime Ministers Noboru Takeshita, Yasuhiro Nakasone and Sosuke Uno.

The newspaper attributed information about the meeting to unidentified government sources. But Robert C. McFarlane, a former national security adviser to Mr. Reagan, confirmed the newspaper report in Tokyo, saying plans were at a "tentative stage" among the leaders.

Mr. McFarlane said Mr. Carter had agreed to attend and that Mr. Reagan and Mr. Nixon were interested but that their formal response had not been received.

## Soviets to Relocate Nuclear Test Site And Curtail Blasts Due to Protests

By R. Jeffrey Smith

Washington Post Service

WASHINGTON — The Soviet Union, bowing to pressure from its citizens, has decided to end underground nuclear explosions at its principal test site in Central Asia within three years and to move a sharply reduced atomic testing program to a remote island within the Arctic Circle, according to Soviet and U.S. sources.

The move, announced in Moscow last week by a senior defense official at a parliamentary hearing, aims to satisfy residents near the Semipalatinsk test site in rural Kazakhstan, who claim they repeatedly have been exposed to radiation generated by the detonations.

The shift to an inhospitable Arctic site will force a reduction in the number of nuclear tests and hinder development of weapons, the sources said.

According to Soviet and U.S. sources, Colonel General Vladimir Gerasimov told a special joint meeting of the ecology and state security committees of the Su-

preme Soviet that the Defense Ministry was "ready to end nuclear tests by 1993" at Semipalatinsk after conducting 27 more underground blasts there.

At that rate, testing will be roughly 40 percent below Soviet practice.

Moscow's decision follows the unexpectedly swift development of a powerful grass-roots movement, reported to involve hundreds of thousands of citizens, under the leadership of a well-known Kazakh poet and legislator in the Supreme Soviet, Otzhas Suleimenov.

He lives near the Semipalatinsk test site and demanded that it be closed immediately after residents were exposed to radioactive gas leaks in two tests in February.

Yuri Scherbakov, a member of the ecology committee who led an investigation of the test site two months ago, said at the hearing that "the socio-psychological atmosphere in Semipalatinsk" was "extremely tense."

A special committee of the Soviet Academy of Medical Sciences determined last year that residents

had experienced excess cancers, genetic diseases and child mortality because of radiation exposure while nuclear tests were conducted above ground prior to the U.S.-Soviet Limited Test Ban in 1963.

U.S. officials said they had been expecting an announcement about Semipalatinsk for some time.

Soviet officials have acknowledged canceling 11 of 18 tests planned last year because of pressures from the anti-nuclear group, which named itself "Nevada" after the site of U.S. nuclear tests.

A Bush administration specialist said that the Soviets would have to scale back their nuclear test program because of the shift from Semipalatinsk to Novaya Zemlya, a large island in the Barents Sea.

The planned expansion of the Novaya Zemlya site already has provoked concerns in Norway.

"If the information is correct," Foreign Minister Kjell Bondevik said last week, responding to rumors of the announcement, "we will express our concern and do what we can to get the Soviet Union to change their plans."

## AMERICAN TOPICS

### A Day-Care Center For Young and Old

While corporate day care centers for children are springing up across the United States, Stride Rite Corp. may be the first to welcome elderly people as well. It takes in children aged 18 months to 6 years and adults over 60, those whose biggest problem is not personal health but filling lonely days with a sense of purpose.

When the center in Cambridge, Massachusetts, becomes fully operational, it will accommodate 55 children and 24 adults. The New York Times reports. Costs are estimated at \$150 a week to take care of a preschooler, \$170 for a toddler and \$140 for an older person. Employees of Stride Rite, which makes shoes, pay from \$20 to \$130 a week for the children, depending on the family's income, and \$85 a week for the older adults. The balance comes from a foundation set up by the company. Outsiders pay full costs, with some low-income families aided by state subsidies.

For the moment, the elders' and children's groups meet only for meals and occasional outdoor walks, but a few of the youngsters now gather for the elders to read them stories.

### Short Takes

Two ministers from Gallaudet University, the Washington, D.C., liberal arts college for the deaf, opened a day's business of the U.S. Senate last week with a prayer in sign language.

Cigarette makers should not sponsor sporting events, says Dr. Louis W. Sullivan, secretary of Health and Human Services, suggesting that role models for the young should not be identified with smoking. But Ira Berkow, a New York Times sports writer, says that a cigar maker's sponsorship of Chicago Cubs and White Sox baseball games on television did not make him into a cigar smoker when he was growing up, nor did beer commercials during those games make him a drinker. He says, "Kids can and do make distinctions between what's for grown-ups and what's not, and what's right and what's not."

**Shorter Takes:** Robbers of a restaurant in Santa Monica, California, ran off with the adding machine instead of the cash register. "They aren't real pros," a police sergeant said. • Now playing on the New York stage: a one-woman show starring Marilyn Sokol with the title, "Guilt Without Sex."

**Notes About People**

Environmentalists are urging Bob Hope to donate his extensive real estate holdings in the

mountains west of Los Angeles to a national park. The 86-year-old entertainer, whose fortune is estimated at \$150 million, started acquiring the land in the 1950s. Now he plans to sell it off. He can get far more from developers than from the National Park Service, so park advocates are pegging their appeals to the charitable side of a public figure known for his frequent trips to far-off places to entertain U.S. servicemen.

### Lithuanian Visitors Wear Out Welcome

East German refugees have worn out their welcome in West Germany, and Lithuanian visitors are wearing out theirs in the United States. The Washington Post reports. The Lithuanians come not as refugees but as relatives and friends, or friends of friends. The Post says, "They can't bring any money, they plan to stay with you, and they just know you'll show them America. All of it."

Victor Nakas, manager of the Lithuanian Information Center for the Washington metropolitan area, said, "You could say some people are getting — how can I put it — a little fatigued." Linos Kojolis, an investment consultant, said, "They get off the plane with lists of which stores are best for stereo equipment and which for video cassette recorders." And "they expect those to be presents."

Arthur Higbee

## Managua Grants Wide Amnesty to Sandinista Aides

Compiled by Our Staff From Dispatches

MANAGUA — The National Constituent Assembly has granted amnesty to officials who may have committed crimes such as bribery and embezzlement during the period of Sandinista rule that began July 19, 1979.

Deputies in the Sandinista-dominated legislature said that the law, passed Saturday by a vote of 66 to 3 with 3 abstentions, will protect outgoing officials from possible "witch hunts" by the government of President-elect Violeta Barrios de Chamorro, which is scheduled to take over on April 25.

It was not specified when the law would take effect. Opposition leaders have said that such a law would give officials free rein to loot public coffers.

The law also grants amnesty for contra rebels as well as for possible crimes committed by Sandinista soldiers during their war with the rebels. A main obstacle to a smooth transfer of power is potential friction between the Sandinista army and the 13,000-member contra force, most of it in Honduras, over demobilization and disarmament.

A spokesman in Honduras said Saturday the contras would ask that special enclaves be set up in Nicaragua for the rebels before they demobilize. The proposed zones would be under international surveillance.

(Reuters, AFP)

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- ACROSS**
- 1 — meter
- 5 Share
- 9 Concerns of trout fishermen
- 14 Roulette bet
- 15 Encompassed by
- 18 Ship's lowest deck
- 17 Pine or palm
- 18 The — Ranger
- 19 Latat
- 20 Alan
- 23 Suffix with depart
- 24 Nectar inspector
- 25 Esprit de corps
- 28 Norse god of war
- 31 R-V connection
- 34 Grape seeds
- 35 Twenty quires
- 36 Enoch's father
- 37 Alan
- 40 — Bombbeck
- 41 S-curved molding
- 42 Pivot
- 43 — Plaines, Ill.
- 44 Printer's direction
- 45 Swinger at the plate
- 46 "Isn't — Pity?"
- 47 Gershwin song
- 47 Jackie's second spouse
- 48 Alan
- 49 Abolish
- 50 Infrequent
- 51 Excessive
- 52 Stock
- 53 Muslim prince
- 52 Well, in Milan
- 54 Pitches
- 55 Gollers' gadgets
- 56 Kind of ball or fall
- 8 River in Germany
- 9 Angular meeting place
- 10 Rebel
- 11 Venetian-blind part
- 12 Dorothy's dog
- 13 Bridge
- 21 Showy bulb flower
- 22 S. American snake
- 25 Coupled
- 26 Pigment for Gainsborough
- 27 Rawhide thongs used in Africa
- 28 Looped handle
- 29 Doctrine
- 30 Leveret
- 31 Joan of Arc, e.g.
- 32 Touch of color
- 33 Noted racing driver
- 35 Fashion
- 36 Small voucher
- 38 Joke
- 39 Series of links
- 44 Steps over rural fences
- 45 Thorny bushes
- 46 Habituate
- 47 Eagle's nest
- 48 Bygone
- 49 — walk —
- 50 Soon
- 51 Waste allowance
- 52 Renown
- 53 Newhart and Crosby
- 54 Level
- 55 City in Nev.
- 56 Expanded

- DOWN**
- 1 Formerly citizens
- 2 Knowledge
- 3 Bearing
- 4 Region
- 5 In abundance
- 6 Love, Italian style
- 7 Bluish-white metal
- 8 Gollers' gadgets
- 9 Kind of ball or fall
- 10 Rebel
- 11 Venetian-blind part
- 12 Dorothy's dog
- 13 Bridge
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- 56 Expanded

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## Democracy Returns To Chile After 16 Years As Pinochet Bows Out

Compiled by Our Staff From Dispatches

VALPARAISO, Chile—General Augusto Pinochet surrendered the presidency Sunday to an elected successor, Patricio Aylwin, ending 16 years of military rule.

Amid loud applause and chants of "Aylwin, Aylwin" from invited guests and Congress, the former opposition leader recited the oath of office, then donned the red, white and blue presidential sash.

Smiling broadly, he then kissed his wife and shook hands with the U.S. vice president, Dan Quayle, and Presidents Carlos Menem of Argentina, Luis Alberto Lacalle of Uruguay and José Sarney of Brazil.

Later Sunday, Mr. Aylwin pardoned all political prisoners and named a cabinet including both rightists and leftists.

General Pinochet, 74, also shook

the new president's hand and then quickly left the inaugural hall, where his entrance had sparked competing chants of "Pinochet, Pinochet" and "murderer, murderer" from the galleries.

Mr. Aylwin, a 71-year-old political veteran, won a December election that resulted from General Pinochet's 1988 defeat in a referendum on a new eight-year presidential term.

The inauguration took place in the House chamber of the partially finished congressional building. General Pinochet will remain as commander of the 60,000-member army, rejecting Mr. Aylwin's request for his resignation.

A total of 14 world leaders visited Chile for the inauguration. Some of them delayed their arrivals in apparent ambush to General Pinochet.

The outgoing foreign minister, Hernán Erazuriz, criticized their decisions, saying they displayed "a lack of education."

Except for a papal tour in 1987, the last visit by a head of state to Chile was that of the Brazilian military president, João Figueiredo, in 1982.

Vice President Quayle encountered anti-U.S. demonstrators when he met with General Pinochet for a 25-minute protocol visit early Sunday at the general's Santiago residence. Some shouted "Go away" or "Chile is not for sale."

There was no violence, but Secret Service agents canceled plans for a sidewalk news conference.

Congress met for the first time Sunday since the 1973 coup that installed General Pinochet in power. Under the law approved by the military government, Congress is to sit in Valparaíso, where General Pinochet was born. Traditionally, lawmakers have met in Santiago.

Mr. Aylwin swore in his cabinet, including 10 Christian Democrats, six Socialists, two Radicals, one Socialist Democrat, one independent and one member of the center-right.

New ministers included Enrique Silva Cimma of the Radical Party as foreign minister; Enrique Krauss, Christian Democrat, to head the Interior Ministry; Patricio Rojas, Christian Democrat, for defense; and Alejandro Foxley, Christian Democrat, as the new finance minister.

In Moscow, the official Tass news agency reported Sunday that the Soviet Union and Chile had renewed diplomatic ties after a 17-year break. (UPI, Reuters, AP, AFP)

### French Police Block Dissidents at Church

The Associated Press

PARIS — Riot police barred about 100 Roman Catholic conservatives from entering an empty church Sunday where they hoped to celebrate a traditional Mass.

The worshippers, followers of Marcel Lefebvre, who was an archbishop before being excommunicated in 1988, held their Mass in the street next to the church in suburban Argenteuil and later dispersed peacefully. Three priests belonging to the Lefebvre group, Brotherhood of Saint Pius X, led the worshippers, who demand that the Roman Catholic hierarchy give them an unmiss church.

### 10 Drown in India Lake Towing Buddha Statue

The Associated Press

NEW DELHI — At least 10 persons drowned when a 350-ton statue of Buddha slid off a barge in a lake near the central city of Hyderabad, the United News of India said. The barge was being towed to a rock in the center of Hussain Sagar Lake in the state of Andhra Pradesh.

The news agency said that about 50 persons were aboard the barge Sunday when the accident occurred.



Vytautas Landsbergis, elected Sunday as the Lithuanian leader.

## VILNIUS: Vote for Independence

(Continued from page 1)

Lithuanian parliament to restore the republic's independence and called on all parties to avoid violence, news agencies reported.

"The United States would urge the Soviet government to respect the will of the citizens of Lithuania," the White House spokesman, Martin Fitzwater, said.

In its resolution, the parliament declared, "Expressing the will of the people, the Supreme Soviet of the Republic of Lithuania resolves and solemnly proclaims the re-establishment of the sovereign rights of the Lithuanian state." It called upon a foreign power to "aid" the republic.

Mr. Gorbachev has steadily reasserted on the question of Lithuanian independence, but he said in private meetings last week that the republic would have to pay billions of rubles in hard currency as part of any final secession agreement.

And while Lithuanians spoke of genuine independence in a year or two, Mr. Gorbachev has drafted a law on secession procedures that could draw the process out five years or more.

Many Lithuanian legislators say they expect trying negotiations with Mr. Gorbachev and possibly even an economic blockade from Moscow in the months ahead.

The pressure is going to be tremendous, but at this point our political interests must come before our economic fears," said Kazimiera Prunskiene, a Sąjūdis leader and economist elected prime minister of the republic.

Mr. Landsbergis said he was

"not so naive" to believe that the declaration of independence ended all of Lithuania's existing ties with Moscow.

He said the act was intended to establish Lithuania's "legal position and popular will," its ability to write its own laws and conduct its own foreign policy. But he added that nearly all questions of economic relations with the Soviet Union, like taxes, state enterprises and currency issues, would have to be resolved in future negotiations with Moscow.

One of Mr. Gorbachev's Kremlin colleagues, Rasik Nishanov, the chairman on one of the two Soviet chambers of parliament, telephoned Mr. Landsbergis shortly before the start of the session and Sunday asked him to delay any vote on independence. But Mr. Landsbergis refused.

The Lithuanians said they were not so much declaring independence as reestablishing sovereignty after a 50-year period of illegal occupation by the Soviet Union. The legislation put in place a temporary constitution—based mainly on the present legal structure—until a new constitution can be drafted and made law.

Algirdas Brazauskas, the Communist Party chief who lost out to Landsbergis in the election Sunday for head of state, said he thought the Lithuanian drive for independence would have a "comparative" effect on other republics, but would not necessarily lead to the fall of the Soviet Union.

## SOVIETS: Party Name Defended

(Continued from page 1)

warned that Mr. Gorbachev could have difficulty gaining the necessary two-thirds majority in the 2,250-seat congress for constitutional changes. Deputies from the Baltic states and Georgia and possibly the Ukraine are likely to join radical Russian deputies in expressing reservations about giving him new powers without strengthening the authority of the republics and the legislature.

Members of the International Group of radical deputies are considering nominating a candidate to run against Mr. Gorbachev. The draft constitutional changes allow any group of 100 or more deputies to propose candidates for state president, with the Congress serving as the electoral body for the first presidential election.

State television reported that Sunday's Central Committee session had also considered proposals for eliminating the party's constitutionally guaranteed monopoly of political power. The plan was reported to have considered a rewording of Articles 6 and 7 of the constitution, which award the Communist Party the "leading and guiding" role in Soviet society.

In addition to Lithuania, which on Sunday formally declared independent statehood, several other

republics are well on the path toward secession. Citizens of the pro-Baltic state of Estonia and their descendants held a congress in the Estonian capital Tallinn on Sunday as part of a pro-independence campaign.

The Georgian Supreme Soviet last week adopted a resolution formally invalidating Georgia's 1922 annexation by the Soviet Union and calling for negotiations with Moscow on the restoration of Georgian independence.

Officials close to Mr. Shamir said that Mr. Shamir's suggestion had not yet been discussed and could not be the subject of interparty negotiations.

Mr. Shamir, who has long resisted the Cairo talks, reportedly told the cabinet that the U.S. involvement in the peace process had distorted the government's election plan, which the prime minister put forward last April.

The army radio quoted Mr. Shamir as saying that "the involvement of the U.S. administration gave the peace initiative a different tone and character than we intended."

## GORBACHEV: Now a Centrist in a Country With a Shrinking Center

(Continued from page 1)

regimes and lending comfort to democratic alternatives.

He has acquiesced, so far, in the peaceful withdrawal of the Baltic republics—their creation of multiple political parties and private farming, their abandoning of communism and their determination now to restore the independent statehood that existed between the two world wars.

Dissidents who were in prison when Mr. Gorbachev came to power are now in parliament. The works they were jailed for writing or even possessing have been published in official magazines and newspapers.

Five million Soviet citizens now work in private ventures called co-operatives, and the government has decreed an end to the state monopoly on industry and agriculture.

Political pluralism has become a reality, so far in the form of blocs and fractions, alliances, but with a promise of full-fledged parties.

Perhaps most important, Mr. Gorbachev has begun the transfer of political power from the Communist Party to a law-based government, and from a fossilized center to more autonomous republics and local centers.

Mr. Gorbachev has, through it all, been endlessly watchful. More sober than swimmer, he rides the crest of events, barely keeping his balance by knowing when to lean forward, when to cut back, sometimes teetering precariously but never losing his sense of direction.

The Soviet leader's devotees have long maintained that he did indeed have a grand strategy, a sense of where the country was headed, but for tactical reasons—to keep the old guard off guard, to let the populace outgrow its conservative instincts—he could not be fully honest about his radical intentions.

When they have been given a choice, the citizens have opted for candidates who distance themselves from Mr. Gorbachev and urge greater changes.

The release of the colonies he could no longer afford or contain, the creation of a political and economic hybrid borrowing from both socialism and capitalism—it was in the master plan all along.

Short of a polygraph test, it is hard to be sure how much Mr. Gorbachev foresaw five years ago, and how much he learned along the way.

But unlike the new governments of Poland or Czechoslovakia, Mr. Gorbachev has never had a democratic mandate to do what he is doing.

The more the unfamiliar notion of democracy seeps into the public consciousness, and the more Soviet citizens follow events in Eastern Europe, the more irritated they seem that Mr. Gorbachev has limited their right to choose.

The issue is now focused on Mr. Gorbachev's proposal to create a new executive-style presidency with sweeping powers of decree and to diminish the authority of the parliament. Future presidents would be elected, but Mr. Gorbachev wants a five-year term given him by the 2,250 members of the Congress of People's Deputies, who are to converge on Moscow for a special session on Monday.

"I got hundreds of telegrams a day from citizens from all over the country who are categorically against the election of the president at the Congress," said Anatoli A. Sobchak, a popular lawyer-legislator from Leningrad. "They say: 'You, the deputies, don't have any right to do this. We did not give you any such authorization when we voted for you. Only the people can elect the president.'"

When they have been given a choice, the citizens have opted for candidates who distance themselves from Mr. Gorbachev and urge greater changes.

The big winner in local elections on March 4 was not Mr. Gorbachev, but a bloc of pro-democracy forces centered on the Interregional Deputies Group, the parliamentary opposition, which Mr. Gorbachev seems to view with suspicion bordering on hostility.

Members of the bloc understand Mr. Gorbachev's strategy of feinting right, then left, and ending up on his feet in the middle. But Mr. Gorbachev is now a centrist in a country with a shrinking center.

"The overwhelming majority of the leadership of the Interregional Group and most of the activists supporting it don't have any desire to remove Gorbachev from the first place on the political scene," said Vladimir O. Bokser, a strategist for the political bloc. "We only want to move him over to the left."

Sometimes lately, Mr. Gorbachev's vaunted sense of timing and public relations have seemed to fail him.

On the night of the elections, he took up 12 minutes of the evening news with a rambling, disengaged interview at his polling place, repeating socialist homilies and dwelling on his devotion to the Communist Party even as party apparitions were being dunned by voters across the country. He seemed like a man out of touch.

Even more stunning was his abrupt about-face on the issue of presidential power.

Ironically, the idea of an executive presidency was proposed last fall by opposition lawmakers, who argued that this was the only way to free Mr. Gorbachev from the clutches of the Communist Party.

Mr. Gorbachev passionately rejected it as contradicting his philosophy of decentralization.

Then last week, in a performance that seemed on television petulant and arrogant, he forced the propos-

al through the standing legislation in a rush, arguing that only a new executive could cope with the unrest and other crises.

Even those who favor a new presidency were alarmed at the way Mr. Gorbachev lunged for it.

"I got really angry at the way he pushed through the law on the presidency," said Vitali S. Sazonov, a young Moscow Communist who has been active in organizing a pro-democracy faction in the party. "I just can't believe a man for whom democracy is so important could behave in such a way started having big doubts."

Perhaps Mr. Gorbachev is waiting for the right moment, when the public consensus is more solid, and then he will submit himself to a plebiscite or otherwise move to establish his public authority.

Or perhaps he has accepted a view of some around him that the country cannot, after all, move from totalitarian rule to democracy without a period of benign autocracy to force through unpopular changes.

What annoys the political commentators trying to take Mr. Gorbachev on his promise of democracy is how readily the West seems to accept that Mr. Gorbachev is the main thing.

Ilya I. Zaslavsky, a young postmodernist who is one of the popular political figures in Moscow, said it was contradictory for Westerners to think of Mr. Gorbachev as a benign paternalist, or to dismiss his more radical side as somehow destabilizing.

"When people are elected, nondemocratic ways, and then the democrats, as Gorbachev did, then that's not democracy either," Mr. Zaslavsky said. "Just another form of the same thing."

## CHINA: Continued Repressiveness Disappoints Bush Administration

(Continued from page 1)

crossed there. Commerce Department data show Chinese exports to the United States rose 42 percent last year, to a total of \$12 billion.

Much of the increase occurred after the killings in and near Tiananmen Square in early June.

The increased trade would have been impossible if Congress had imposed stiff economic sanctions, as many lawmakers advocated last summer.

Mr. Bush persuaded Congress to hold off, saying that commercial contacts in China were good because they "have led, in essence, to this quest for more freedom."

China's most-favored-nation status, which generally guarantees

the lowest possible tariffs on exports to the United States, is scheduled to expire July 2. Administration officials say Mr. Bush will seek a regular annual extension of that status for China. Many in Congress are gearing up to resist. At least six bills have been introduced to suspend or terminate China's status as a most favored nation.

Although acknowledging that Mr. Bush has not achieved his objectives, White House officials are sensitive to criticism of his China policy.

Mr. Scowcroft says that his toast "to U.S.-Chinese friendship," at a banquet in Beijing on Dec. 9, has been misread as an endorsement of the military crackdown.

Likewise, Douglas H. Paal, the

senior specialist on China on the National Security Council, criticized a report on China issued last month by Asia Watch, a human rights group.

Asia Watch said that the Chinese People's Liberation Army had shown "ferocity" in suppressing the democracy movement. Mr. Paal wrote, "Some of the PLA actions were indeed ferocious — other units at other times did show great restraint."

Asia Watch said that thousands of peaceful dissenters were being detained in China without trials. Mr. Paal wrote, "The very fact that so many detainees have not been tried indicates some degree of restraint."

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People who originally had Mr. Bush's policy say they have been disappointed.

A. Doak Barnett, professor emeritus of Chinese studies at Johns Hopkins University, said he supported Mr. Bush's effort "to halt the downward spiral in relations with China" by using Mr. Scowcroft and Mr. Paal.

"That mission had valid objectives and was worth trying," Barnett said. "But the Chinese did not respond sufficiently to indicate a reversal of repressive behavior or to have a significant impact on American public opinion or progress."

## HAITI: Opposition Urges a Strike if Avril Fails to Leave the Country

(Continued from page 1)

television that he would transfer power within 72 hours to a civilian government.

General Avril, 52, retired from the army and was said to be in his suburban Port-au-Prince home with heavily armed guards.

Unity Assembly, a coalition of 11 opposition political parties and one civic group, had threatened an "unlimited total paralysis of the country" unless General Avril resigned.

At a news conference Sunday, the group issued a statement calling General Avril a "public danger" and said it would not lift the strike call until he left Haiti.

In negotiations reportedly involving the U.S. and French embassies, the Roman Catholic Church and opposition political parties, General Avril agreed to allow a transfer of power to a civilian-led government consisting of an 11-member advisory council and a provisional president chosen from the Supreme Court.

Unity Assembly expressed confidence that General Abraham would keep his word to transfer power to a civilian-led government, but rejected the army's choice of the Supreme Court president, Gilbert Austin, to head it.

Mr. Austin, 63, was appointed chief justice by General Avril last year.

The politicians also complained about danger in the capital and called for the formation of neighborhood self-defense groups to

protect people from mass gunmen.

Radio Métropole, an independent station, said soldiers in speeding trucks opened fire on demonstrators in central Port-au-Prince Sunday, killing five people and then removed the bodies.

On Saturday, radio reports said soldiers killed six youths who tackled the home of a special police agent, Marc Antoine, in the Cap-Haïtien suburb. Two more bodies from the shooting were discovered Sunday.

A hospital spokesman said Sunday that the hospital had received five other bodies from separate incidents.

General Avril, 52, who had been under pressure to resign for weeks after he cracked down on opposition leaders in January, declared a 10-day state of siege.

The U.S. Embassy in Haiti and the State Department in Washington simultaneously released a statement Saturday supporting General Avril.

"We would be prepared to let this provisional government lead the way to democracy in Haiti," the statement said.

It pledged help "to conduct free and fair elections under international observation at the earliest possible date." (AP, UPI)

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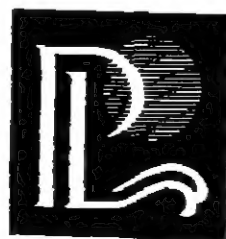


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## Tehran on the Defensive

This much has changed in Iran: Ayatollah Ruhollah Khomeini's successors no longer seal their ears to the world's censure of their behavior. Iran and Syria are now talking about freeing 17 hostages, including eight Americans believed to be held by Shiite militants in Lebanon. And Iran has now agreed to a second visit by a United Nations investigator.

But the signals are too mixed and Iran's fractious rulers are too divided to afford solid ground for hope. Just days ago Iran's president, Hashemi Rafsanjani, hinted that the hostages might be freed. On Friday this supposed pragmatist decided the United States was "the biggest bully on earth" and ridiculed President George Bush for taking a call from a boxer pretending to be Mr. Rafsanjani.

Just as manipulatively, the mullahs informed a UN human rights investigator that Iran's harsh criminal justice system was being softened. Grasping this straw, the investigator, Reynaldo Galindo Pohl, produced a circumstantial document giving Iran too much benefit of the doubt.

A franker account is offered in the State Department's new annual survey on human

rights. It brands Iran as a major violator, and says that despite promises of changes, the harshness persists. It portrays Iran as a hermetically intolerant society in which dissenters and common criminals alike are subject to summary executions, degrading torture and routine flogging.

And it deplores Iran's efforts to stigmatize and harass the Bahais, a minority faith of about 400,000. Tehran regards the Bahais as "unprotected infidels," and forbids them to elect their own leaders or educate their children.

When the UN investigator asked about the Bahais, Iran responded that its only recognized religious minorities were Christians, Jews and Zoroastrians; all others are consigned to limbo. That reflects the zealotry that sets Iran apart. It is of a piece with the death threat, now reconfirmed by the ayatollah's heirs, against the British novelist Salman Rushdie.

Nevertheless, Tehran seems increasingly defensive about world opinion. That anxiety is a sound argument for keeping the heat on Iran — on behalf of the hostages and Iran's own citizens.

—THE NEW YORK TIMES.

## Securities Firms at Risk

When a ship has been through a hurricane, prudence suggests checking the hull carefully to see whether the plates are holding. The American financial industry has been through very rough weather, and it is possible that there is more to come. Particularly in the aftermath of the collapse of Drexel Burnham Lambert, attention has swung to the big securities firms and their ability to survive sudden shocks and unpleasant surprises.

One crucial factor is the firms' capital — the amount of the owners' money that stands behind the intricate strategies of borrowing and lending. The hugely expensive S&L scandals originated in inadequate capital requirements, poorly enforced. The commercial banking system is in much better shape, but even there the numbers of failures have been running at the highest level since the Depression, and the regulators are responding by tightening capital requirements.

What about the securities firms?

The Securities and Exchange Commission thinks that they ought to be required at least to report their capital positions to it, and legislation is to come before the House Energy and Commerce Committee within the next few days. The committee — and the rest of Congress — would be wan-

ton not to move this bill along promptly. Some of a securities firm's operations are regulated, and some are not. Many firms have moved some of their riskiest activities into the unregulated affiliates, and the SEC needs to know how much capital is available there to bail out the whole company.

In the Drexel case, the regulated broker-dealer subsidiary had adequate capital. It was its parent, the holding company, that ran short. The firm attempted to stay afloat by transferring funds from the subsidiary to the parent. That, in effect, would have benefited the shareholders by increasing the danger to the firm's customers. The SEC and the New York Stock Exchange intervened to forbid it.

There was a time when securities firms prospered simply by buying and selling stocks for their customers, collecting a commission on each transaction. The industry has grown formidably in the past decade, and commissions are now less than a fifth of its revenue. Much more comes from the kinds of trading and investing that put a firm's money directly at risk. The regulators cannot always find out how much capital stands behind those spectacular billion-dollar deals. Congress needs to fix that quickly.

—THE WASHINGTON POST.

## Remember Panama?

Most Americans over age 10 still remember those dramatic televised reports. It was only 12 weeks ago that U.S. troops invaded Panama, in the largest military operation since the Vietnam War. President George Bush's political stock soared when the assault brought the capture and removal to Miami of Mammal Antonio Noriega, Panama's fallen strongman.

But 12 weeks can be a long time if you are trying to hold together a country whose army and police force have been shattered, and whose economy has been devastated by two years of U.S. sanctions and then a billion dollars of war damage. Such is the crisis that now presses on President Guillermo Endara's new government.

Not surprisingly, Mr. Endara hopes that Washington will quickly approve promised aid and that funds in formerly blocked accounts will soon become available. But Mr. Bush's \$500 million Panama aid package is meandering through Con-

gress. Emergency funds are only now dribbling through the bureaucratic pipeline. A cumbersome process involving claims and counterclaims stalls release of back taxes owed to Panama by U.S. companies.

Meanwhile, Panama's 30 percent unemployment rate makes the Endara government reluctant to pare down its reconstructed military force. Yet the presence of thousands of re-armed Noriega veterans could one day imperil democratic rule. Moreover, the force's unreliability prolongs the awkward role of U.S. troops as a backup for police operations on Panamanian soil. Economic problems also make it hard for the Endara government to consolidate popular support and renew its mandate with a fresh presidential vote.

Panamanians who cheered U.S. troops last December never imagined that Washington could forget their desperate plight by March. Has it?

—THE NEW YORK TIMES.

## Screaming Won't Help

"I hear America singing," wrote Walt Whitman in the last century. Today he would have difficulty hearing himself think. According to audiologists, 20 million Americans are exposed daily to persistent noise loud enough to cause hearing loss. The racket also contributes to high blood pressure, peptic ulcers, aggression, poor reading, lack of consideration and, understandably, the urge to give up.

The clamor is not likely to diminish. Of the more than 1,100 state and local anti-noise programs that existed in the 1970s, 15

remain; the federal government abandoned its noise abatement effort in 1982.

Of course, little of this is news to denizens of large urban areas. They need no audiologists to tell them that the din from emergency vehicles, subways, auto burlap alarms, boom boxes, garbage trucks, airports and millions of horn-happy drivers is exceedingly painful.

Most frustrating of all, the urban dweller's method for solving all problems can't help. Screaming would only make things worse.

—THE NEW YORK TIMES.

## Other Comment

### This Optimism Is Dangerous

History is starting up again, after 45 years of petrification. Nor does it look like Sleeping Beauty awakening after a long sleep; more like a kennel of sleeping dogs suddenly prodded into snarling life — old hatreds, old rivalries, old territorial claims, above all old nationalisms, notably those of Germany and Japan. There is nothing to fear but fear itself, said Franklin Roosevelt in 1933. Today it is the lack of fear that should frighten — the Titanic-like ignorance as much among rulers as ruled of the dangers ahead.

Because the prospects of individual freedom in Russia and East Europe look better than they have for 40 years, everybody wants to believe that this snowdrift makes the world a safer place. It does nothing of the kind. Civil rights in the Balkans, independence for Lithuania, unity for the Germans

and all these other blessings now falling like pennies from Heaven, recreate conditions that existed in the bad old prewar days. They were no guarantee of a stable Europe then and there is no obvious reason why they will be any more so now. The more peoples there are free to make history, the more peoples there are free to make war.

Ludicrously high expectations are building up for the next century, expectations which take little or no account of how fragile the world order has now become. Visible dangers can be averted. That is why the mushroom cloud that for 45 years has darkened the horizons of mankind may prove to have been less doom-laden than today's promise of blue skies. History teaches only one lesson: that those whom the gods wish to destroy they first make optimistic.

—Peregrine Worsthorne, in an editorial in *The Sunday Telegraph* (London).

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## Not Guilt, but an Inheritance

By A. M. Rosenthal

NEW YORK — Letters come from Germany in response to columns I have written saying that German unification is going too fast, that too many fears are being papered over. The columns said Germany's neighbors and victims should testify on how they could best be helped to rest easy in their hearts that yesterday will not become tomorrow.

Some letters are full of fury. Far more interesting are those, courteous in tone, from young Germans who seem puzzled and hurt. One way or another, they ask the same questions: "Should the sins of the fathers be visited upon the children? Isn't that what the Nazis did?"

No, that is not what the Nazis did.

What they did was slaughter millions, but not because the fathers and mothers of the butchered committed any sin. They were slaughtered because the Nazis were driven by the bestial passion of hatred to wipe both parents and children from the face of the earth, exterminate them.

Just as Nazi Germany's victims committed no crime, their forefathers committed no sin beyond being born and giving life. It is said that the distinction still has to be made.

But those of us who are still bone-nervous about the idea of Germany once again emerging as the most powerful nation in Europe cannot walk away from the first question. If great sin is committed by a nation, shall guilt pass from parent to child?

I think the answer is: Guilt no, but inheritance yes.

Germans born too young to be part of the German sin are guilty of nothing. That is, those who do not admire what their parents did or try to whitewash it away — or judge each

other with nostalgia for the old brown days. Not everybody in the parties of the German nationalist right is confined to a wheelchair. But our parents do leave us heritages, sometimes heavy to bear but impossible to put down. Nazi Germany left today's Germany a heritage of distrust, disgust and fear from a good part of the world.

That burden has been lightened by those Germans who since World War II have not only denounced Nazism but have done something more important — shed light on its shadows in German politics and education.

But the heritage of fear still exists. Germans, old or young, who deny it are endangering themselves and those around them — as we all do by denying the truth.

Judith Miller of The New York Times has written an important, powerful but calm book on the emotional and political techniques that nations, including Germany, still use to deny or try to forget the Holocaust. The book will be published in May by Simon & Schuster and is so pertinent to the unification issue that you might want to jot down its title: "One, by One, by One."

Every day the nervousness becomes more obvious as more people speak up — the Poles say they will keep Soviet troops on their soil, European nations demanding to be part of the unification process, Israelis pondering German contributions to the Libyan chemical weapons plant.

Only in the United States is there no real discussion. America, for all its pride in political individuality, usually follows its leader. President George Bush, has not even bothered to talk to us about unification, one of the most important events of our time. You can see why — it's embarrassing.



As Chancellor Helmut Kohl said so knowingly, the West supported unification when nobody thought it would happen.

Years ago the Western governments should have prepared step-by-step measures to deal with the problems and fears that unification would certainly bring. They did not, and now they are the victims of their own hypocrisy.

Günter Grass, the West German novelist, says that because a unified Germany was a precondition to Auschwitz, the very right of German self-determination is open to question. My heart agrees with him. My head says move on. Concentrate on getting more

talk started about how to make unification a carefully thought out process — of course not just to German politicians but to all who share the earth with them.

Guarantees against yesterday are impossible, but safeguards could be built into the German government, including acceptance of international accountability. Preparation for the dangers as well as the opportunities of unification is important to all people. For none is it more vital than for those who will live with the future as surely as they inherit the past — young Germans without sin.

The New York Times.

## Genscher Was Right About the East and Is Right to Be Cautious

By Flora Lewis

PARIS — Less than a year ago, the dirtiest word at the State Department was "Genscherism." Official American wisdom held that the West German foreign minister was dangerously susceptible to the charms of Mikhail Gorbachev's "new thinking," excessively eager for good relations with Eastern Europe and personally obsessed with openings to East Germany, his homeland.

Though Hans-Dietrich Genscher was always clear and firm about keeping West Germany anchored in NATO and the European Community, he was suspected of pulling away from established ties. Washington did what it could to comfort Chancellor Helmut Kohl when he was at odds with his foreign minister.

Now Mr. Kohl is seen as the troublemaker and Mr. Genscher as the man of vision. Focusing narrowly on next December's elections and his determination to be the "united chancellor," Mr. Kohl was getting the whole transformation of Europe tangled in fears of reviving German nationalism. He held back guaran-

tees for Poland's Oder-Neisse border so long that his acquiescence looked grudging, and he seems to be trying to gobble up East Germany without even saying grace.

He is certainly a democratic man; he has the democratic politician's hearty desire to win votes. He is not at all imperious or authoritarian; rather, he has usually been faulted for waffling. But he can't be accused of sensitivity.

When Mr. Kohl said he could not understand all the fuss about confirming the Polish border, no doubt he meant it. He could not understand, either, why he was not invited to Ronald Reagan's Omaha Beach party on the 40th anniversary of D-Day, or why Americans minded when their president accepted his invitation to a German war cemetery, with SS graves, at Bitburg. He was offended when Washington went public about German companies helping Libya make a poison gas plant.

He is a loyal ally and a good European, as he keeps repeating in honest surprise that anyone might doubt it. He just doesn't see very far.

In his view, the problem right now is that 2,000 to 3,000 East Germans are streaming west every day, and the only way he can think of to deal with it is to make all of Germany West.

Unreliable polls forecast a Social Democratic victory in East Germany's March 18 elections, yet Mr. Kohl gets a hero's welcome when he campaigns there. When he went through the wall the day it opened, he was booed in West Berlin. He would like to have it all settled quickly, and lead a glorious celebration.

Mr. Genscher, who leads the junior Free Democratic Party in the government coalition, has a broader sense of the need to work with allies and neighbors in reorganizing Europe, with Germany at its heart instead of at the front line.

It is necessary for the West to support the Germans' aspiration for

unity so as not again to leave a festering grievance that can defame democracy. It is at the very least as necessary, as Mr. Genscher has said, to make sure that unity "enhances stability and security in Europe."

"We will not present anyone with a fait accompli," he said. "The security interests of our Eastern neighbors as well, in particular those of the Soviet Union," have to be respected.

Events proved Mr. Genscher right. History, which Mikhail Gorbachev said only last winter would be left to "decide" the fate of Germany in the distant future, refused to wait. On Sunday, the East Germans will choose a new parliament; talks on unity will then begin. To the relief of Germany's partners, Mr. Genscher makes clear that those talks cannot preempt solution of "external issues," primarily the security systems embodied in NATO and the Warsaw Pact.

These are momentous questions for the enduring peace of Europe, and there has been no serious planning to arrange a transition, let alone create new structures. Even

## Vietnam: Let's Help Hanoi to Continue Pulling in Its Horns

By Jim Hoagland

HANOI — Vietnam's Communists have lost their first war. Their leaders do not acknowledge that the autumn withdrawal from Cambodia was a defeat, but neither do they suppose seriously against that interpretation when it is pressed on them. Instead, Vietnamese leaders shift the discussion to what must be done to allow both Vietnam and China face-saving exits from the Cambodian quagmire.

Vietnam's decision to seek better relations with China after 15 years of direct confrontation is a key part of a developing strategic shift in Southeast Asia that could end a generation of slaughter and horror in Cambodia.

Also key is the lessening of Soviet aid and sympathy for Vietnam. As Mikhail Gorbachev's Moscow turns inward and adopts political reforms that are anathema to Asia's Communist regimes, Hanoi and Beijing may be tempted to put aside their ancient conflict and commiserate.

Cambodia has been the main arena of the conflict since the Vietnamese invaded in 1979 to depose Pol Pot's blood-soaked Khmer Rouge regime. Aided militarily by the Chinese and diplomatically by the United States, the Khmer Rouge regrouped and denied Hanoi a clear military victory. Facing economic disaster at home and frustrated on the battlefield, the Vietnamese troops that had outlasted the French, Americans and Chinese in battles on

their own territory during the past half-century pulled out of Cambodia in late September.

Khmer Rouge advances against the forces of the Hun Sen regime, and the lack of meaningful economic and political responses by the West to the Vietnamese withdrawal, appear to have caused Hanoi to send 3,000 military advisers and technicians back into Cambodia, according to Thailand's well informed intelligence services. That figure is accepted by Western intelligence sources in Bangkok as a "consensus figure."

Foreign Minister Nguyen Co Thach denied in an interview in Ho Chi Minh City that Vietnamese combat troops are in Cambodia. But he acknowledged for the first time that there were "some technicians still there, in heavy artillery or other things." Mr. Thach could provide no numbers, but he said they were insignificant. The United States, he said, could easily verify the Vietnamese withdrawal but appeared to shy away from doing so because Washington does not want to admit that the withdrawal took place.

Vietnam "will continue its supply of arms" to the Hun Sen government "as long as other powers continue their supplies to the other forces," Mr. Thach added. But he repeatedly returned to

his view that the war was now in a stalemate and would end in a peace accord late this year.

The Khmer Rouge "will get weaker as weaker as they try to occupy more and more territory" and as Thailand makes it more difficult for the Pol Pot forces to use Cambodian refugee camps on the border as staging areas, Mr. Thach said. He added that Hun Sen was prepared to accept the participation of Khmer Rouge political cadres in a new coalition government as long as Pol Pot and seven of his closest associates were excluded.

Vietnamese officials here are unusually restrained in their criticism of China's role in Cambodia. Mr. Thach confirmed what Western diplomats here had told me: China and Vietnam have pulled back their armies 40 kilometers or more from their common border in the past six to nine months. Trade now flourishes across the frontier, mostly to China's economic advantage.

"It was not done by mutual agreement. The interests of both countries dictated that both sides pull back," he said. "In some places it was the Vietnamese troops who pulled back first, in others it was the Chinese. It was good for both."

China, which is not yet prepared to admit that it may be ready to cooperate with its smaller Communist neighbor, denies that it has pulled its forces back and puts the burden for any improvement in relations on Vietnam. Significantly, Vietnam accepts that burden. Hanoi twice

sent a deputy foreign minister to Beijing last year for talks on improving relations, and it would make a third visit to Beijing soon.

Vietnam is prepared to go a long way to reduce tensions on its borders as it pursues its ambitious turn to free market economics at home and as foreign help dries up. The Soviet Union is believed to have told Vietnam that economic aid, estimated to run at \$2 billion a year, will now start declining. Moreover, Moscow has asked the Vietnamese to begin repaying \$1 billion rubles in debt that falls due this year.

Mr. Thach denied that all this added up to a strategic retreat by Vietnam. But his argument was not the forceful kind that he can summon up when the occasion demands it. "If our withdrawal will help the Cambodian government to stand on its own feet, it is not the same as the American withdrawal from South Vietnam. We must not let Phnom Penh government collapse."

Washington has blocked a package of economic help from the IMF that the Vietnamese withdrawal from Cambodia was supposed to unlock. Such obstructionism will not encourage Vietnam to continue pulling in its horns, which should be a U.S. objective.

This time the United States should be wise enough to let Vietnam declare defeat and get out.

The Washington Post.

## Israel: Here Come Soviet Jews, and Palestinians Are Homeless

By William Pfaff

PARIS — The accelerating exodus of Soviet Jews to Israel explains the severity of the cabinet crisis provoked there by renewed U.S. pressure for peace talks with the Palestinians.

That exodus promises major change in Israel's political demography and a final answer to the question of Israeli annexation of the occupied territories of Gaza and the West Bank. These territories are where a Palestinian state would be — if there ever is to be a Palestinian state.

Nearly a quarter million Soviet Jews now are expected in Israel this year, more than twice previous estimates, according to the Israeli press. Israel's deputy finance minister, Yoel Belinfante, has said he expects 300,000 arrivals a month by next summer, an annual rate of 360,000. According to British reports, Israeli consular officials in Moscow estimate that half a million Jews have applied to the Soviet authorities for exit permits. Israel has now imposed military censorship on all information concerning Soviet immigration.

Even a slower rate of migration implies major demographic and political change. There are now some 3.5 million Jews in Israel. There were 1.8 million Jews in the Soviet Union at the

time of the 1979 census. As the number of exit demands grows, these people now feel intense pressure to leave the U.S.S.R. They confront not only revived anti-Semitism but the grave deterioration in living standards that has accompanied perestroika.

No one can know how many Soviet Jews will actually leave. If present indications are borne out, Israel could see its population increase by as much as a third, perhaps by more.

This, of course, is what the Israeli government wants. These immigrants are mostly well educated professionals and technical people or skilled artisans. They will make a valuable contribution to the Israeli work force, even if settling them puts an enormous burden on an economy today in very serious difficulties. This is why Israel has asked for another \$400 million in U.S. loan guarantees.

Few of these new immigrants are religious Jews, or committed Zionists. They mostly are going to Israel because Israel is the country that they have, not because they feel a religious or political vocation to go there. Many would prefer to go to the United States or to Western Europe.

Many actually were going to America under the U.S. government, under Israeli pressure, blocked the flow.

Moreover, they often are inclined toward sympathy for the Palestinians, or at least are not automatically anti-Arab. Their views have inevitably been influenced by 40 years of Soviet official incitement, holding Zionism to be a form of imperialism and defending the Palestinian cause.

They also want peace and quiet. Life in the Soviet Union has provided enough drama, culminating now in revived anti-Semitism and the need to abandon homes and jobs to begin life all over in a country they do not know and a language they do not speak.

They arrive to find that not only is the Palestinian uprising under way in the occupied territories but they are themselves at the center of Israel's struggle over what the nation is to become. Expansionists want them to populate the occupied areas so as to guarantee that there never will be a Palestinian state — or a "second" one, after Jordan, as Ariel Sharon says.

Those Israelis — backed by the United States — who are prepared to trade territory for peace with the Palestinians recognize that the settlement question is decisive. Both sides understand that the immigrants that has been suffocating Israel since the crisis created a decade ago by the invasion of Lebanon.

The Soviet Jews will not remain pawns of the Israeli parties for long — if they stay. Many may not stay, if they can find a place to go. But if they leave in large numbers, it could deal a fatal blow to the spirit sustaining Israel itself. The Zionist dream of gathering the world's Jews into a single state of their own would have been

rejected by the last major bloc of Jews in the diaspora capable of fulfilling that dream.

The game is immensely important for Israel, and the United States necessarily plays a crucial hand. Israel needs American aid not only to settle these immigrants; it also depends on the United States for economic survival. Secretary of State James Baker said at a congressional hearing on March 1 that U.S. funds must not be spent to support settlements in Gaza or the West Bank, which he characterized as "an obstacle to peace." He also warned against using U.S. aid to free other funds for the settlements.

Mr. Baker's remarks naturally provoked an angry reaction in Israel, contributing to the government crisis. But the United States will influence what happens by its own immigration policy as well as by its aid policies. America's doors now are closed, or half-closed. Israel's are wide open. The Palestinians still are without a national home. They say that the West solved the problem of Jewish persecution and migration at their expense in 1948. They now say the West is doing it again. It remains to be seen whether they are right.

International Herald Tribune.  
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## 100, 75 AND 50 YEARS AGO

### 1890: Call to Revolution

ROME — The police seized over 1,000 Anarchist manifestos sent from France to the workingmen's societies of Rome. These manifestos assert that a universal revolution is imminent and appeal to Italian workingmen to aid in securing the downfall of Monarchies.

### 1915: A Risky War Loan

LONDON — Subscriptions in New York to Germany's new ten-year five percent bonds have, so far, been much smaller than anticipated, and the bankers who are trying to dispose of a portion of the issue in America are disappointed. Apart from those who, from racial sympathies, desire to help Germany, the loan, according to a cable from the "Daily Telegraph," makes no appeal, despite its attractive appearance. Many people believe that German-Americans are not subscribing freely to the issue because they realize that Germany will not only

have to face bankruptcy at the end of the war, but, probably, a repudiation of her financial obligations.

### 1940: War Over Wagner

PARIS — War continued yesterday [Mar. 11] on the music front. The question today is, it seems, the same one that tormented artists 25 years ago: What to do about Wagner? For Wagner survived the last war only to have a particular stigma placed on his works. Hitler's predilection for the more fiery passages of the red-haired romantic's works was in the minds of listeners to the Cologne-Landesorchester Orchestra at the Châtelet Theatre, and some of them approved the last minute change in the program in favor of Debussy and Ravel. Others, who contended that art knows no frontiers, did not. Georges Hertz, conductor, declared, according to "Le Jour," "Because Hitler is a fervent Wagnerian is not a reason why we should despise ourselves of the work of one of the greatest musical geniuses."



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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors.

Dollar Straights

Issuer Con Mat Price Yld Bid Ask

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various government and supranational bonds.

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Banks & Finance

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various bank and finance bonds.

Global Corporates

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various global corporate bonds.

Third World

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various third world bonds.

Dollar Zeros

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various dollar zero bonds.

Floating Rate Notes

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Rows include various floating rate notes.

The Daily Source for International Investors.



MUTUAL FUNDS

Figures as of close of trading Friday, March 9.

Table with columns: Fund Name, Price, Yld, Bid, Ask. Rows include various mutual funds.

Table with columns: Fund Name, Price, Yld, Bid, Ask. Rows include various mutual funds.

BONDS  
More Competition  
Return To Profit

CURRENCY RATES

Table with columns: Currency, Rate. Rows include various currency rates.



**By Carl Gewirtz**

**See EURO, Page 11**

**By Barnaby J. Feder**

existing technological assets,

Source: *Browning-Ferris Industries*  
The New York Times

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**See WASTE, Page 11**

**The Associated Press**

that the application of any country wishing to join would be favorably considered.

bank last October. Mr. Afrani predicted final terms could be set April or May, with the bank making loans by the end of the year in early 1991.

**By Carl Gewirtz**

Volkswagen expects the Trab to start production of the new model by the end of the year and hopes to make 300,000 annually.

**By Carl Gewirtz**

Analysts also noted that the

Commerce Secretary Robert A. to Tokyo on Monday. The talks want to make sure we translate w as Mr. Kaifu has run into criticism made excessive commitments to

Mosbacher is leading a delegation in which Mr. Mosbacher said "we will turn fine rhetoric into activity," come from opponents charging that he was not taking action during his meeting.

**New York Times Service**

Among other specific issues likely to arise this week is the practice of "patent flooding." A U.S. high-technology lamp producer, Fusion Systems, has accused Mitsubishi Electric Co. of seeking 300 patents closely related to Fusion's core technology.

**Other Dollar Values**

**Other Dollar Values**

|              |      |             |        |               |       |
|--------------|------|-------------|--------|---------------|-------|
| Motor, rine. | 2705 | S. Kor. won | 698.50 | Yenez. betiv. | 41.02 |
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New York rates unless marked \* (local rate.)

## Forward Rates

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## **Last Week's Markets**

All figures are as of close of trading

| Friday         |           | Friday                |         |
|----------------|-----------|-----------------------|---------|
| Stock Indexes  |           | Money Rates           |         |
|                | Mar. 9    |                       | Mar. 9  |
| DJ Industrials | 2,683.32  | 2,660.24              | +0.86 % |
| DJ Industrials | 219.50    | 219.63                | -.06 %  |
| DJ Trans.      | 1,139.05  | 1,143.98              | -.44 %  |
| S&P 500        | 318.13    | 315.65                | +0.78 % |
| S&P 500        | 207.59    | 208.64                | -.05 %  |
| S&P Ind. Ind.  | 390.35    | 388.25                | +0.56 % |
| NASDAQ         | 186.18    | 184.97                | +0.65 % |
| <b>Bonds</b>   |           | <b>United States</b>  |         |
| 10-year T-note | 2,234.40  | 2,235.80              | -.69 %  |
| 10-year T-note | 1,763.80  | 1,747.50              | -.09 %  |
| 10-year T-note | 33,990.00 | 34,075.00             | -.01 %  |
| <b>Foreign</b> |           | <b>West Germany</b>   |         |
| DAX            | 1,958.74  | 1,918.23              | +2.23 % |
| Hong Kong      | 2,915.67  | 2,907.93              | -.08 %  |
| Hong Kong      | 513.70    | 516.70                | +0.59 % |
| MSCI           | 513.70    | 516.70                | +0.59 % |
|                |           | Discount rate         |         |
|                |           | Prime rate            |         |
|                |           | Discount              |         |
|                |           | Call money            |         |
|                |           | 3-month T-bill        |         |
|                |           | 3-month interest bank |         |
|                |           | <b>Banks</b>          |         |
|                |           | Bank base rate        |         |
|                |           | 3-month T-bill        |         |
|                |           | 3-month interest bank |         |
|                |           | <b>Gold</b>           |         |
|                |           | London spot, f.o.b.   |         |

## By Michael Richardson

## Swiss Parliament De Beers's G

## ent to Tackle Imports

**For U.S. Exe**

## cutives, a Low

## and Lesson in

**Churchill**

**Readers** to improve accuracy

A parliamentary debate, set for March 21, was requested by the Green Party, which opposes all trade with South Africa, where De Beers has its headquarters, and which wants Bern

co., which was set up in Luthene 15 years ago and which exports rough nonindustrial diamonds for sorting and selling to diamond cutters.

**By N.R. Kleinfield**

Other than having too much hair, Hummer looks, acts and talks like Churchill. And he was born for

The Churchill angle is what sets it apart. But he differs from most other biographers in that he also discusses the crafting of the Churchill myth.

...not clearly sets Humes  
most others in that he  
of a speech.  
le out there teaching.

...traveled across the country giving a tour in which he very convincingly sold him. It struck him that he could mold that into a seminar to



**OTC Consolidated trading for week ended Friday, March 9.**

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(Continued on next page)

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## New International Bond Issues

Compiled by Laurence Desvillettes

| Issuer                                    | Amount (millions) | Mat. | Coups. | Price   | and week | Terms   |
|---|-------------------|------|--------|---------|----------|---|
| <b>Floating Rate Notes</b>                |                   |      |        |         |          |   |
| Austria                                   | \$4,300           | 1993 | 1%     | 100.05  | —        | Below 3-month Vienna interbank offered rate, Renewable in 2-year terms until 2002. Callable at par starting in 1993. Fees 0.20%, Denominations 1 million schillings. (J.P. Morgan Securities) |
| <b>Fixed-Coupons</b>                      |                   |      |        |         |          |   |
| Industrial Bank of Japan                  | \$100             | 2000 | 9.50   | 102     | —        | Callable at par in 1994, Fees 2% (J.P. Morgan)  |
| Italy                                     | \$1,500           | 1997 | 9%     | 99.51   | 99.20    | Noncallable, Fees 0.20%, Denominations \$10,000 (Salomon Brothers)  |
| National Bank of Hungary                  | DM 300            | 1997 | 10     | 100     | —        | Noncallable, Fees 2.50%, Increased from 200 million marks (Commerzbank)   |
| Bear Stearns Mortgage Securities Number 1 | \$123.97          | 2017 | 11%    | 94      | —        | Monthly, Average life 9.95 years, Fees 9%, Denominations \$10,000 (Bear Stearns)  |
| European Investment Bank                  | \$100             | 1998 | 13     | 99%     | —        | Noncallable, Fees 1.50% (Barings Brothers & Co.)  |
| European Investment Bank                  | ECU 300           | 1997 | 10     | 94.80   | 95.00    | Noncallable, Fees 0.30% (J.P. Morgan & Co.)   |
| European Investment Bank                  | PTA 15,000        | 2000 | 13.50  | 100     | —        | Noncallable, Fees 1.50% (Banca Hispano Americana)   |
| CIBC (London)                             | £100              | 1992 | 13%    | 101%    | 100.73   | Noncallable, Fees 1.10% (Wood Gundy)  |
| State Bank of South Australia             | A\$50             | 1992 | 16     | 101.95  | 101.60   | Noncallable, Fees 1.10% (Morgan Stanley)  |
| Abbey National Treasury Services          | ¥10,000           | 1995 | 7%     | 101.75  | —        | Callable at par in 1991, Fees 1.50%, Denominations 10 million yen (Deutsche Bank)   |
| Bolton Bank                               | ¥10,000           | 1992 | 6%     | 100.135 | —        | Noncallable, Fees 1.50%, Denominations 10 million yen (Mitsui)  |
| Interfinance Credit National              | ¥10,000           | 1995 | 7%     | 101%    | —        | Noncallable, Fees 1.50% (J.P. Morgan)   |
| Okabank                                   | ¥3,000            | 1992 | 9      | 101%    | —        | Redemption amount of maturity will be linked to the performance of the Nikkei 225 stock index. Noncallable, Fees 1.50%, Denominations 10 million yen (New Japan Securities Europe)            |
| <b>Equity-Linked</b>                      |                   |      |        |         |          |   |
| CRH Capital                               | \$72              | 2005 | 5%     | 100     | —        | Semiannually, Redeemable in 1995 to yield 9.50%, Convertible into company's preferred shares at \$3.25 per share, a 15% premium. Fees 2.50% (J.P. Morgan & Co.)                               |
| Fujitsu                                   | \$200             | 1994 | 2%     | 100     | 95.00    | Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.50%. Terms to be set March 12. (Nomura)                                  |
| Hazama                                    | \$200             | 1994 | 2%     | 100     | 101.00   | Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.50%. Terms to be set March 12. (Deutsche Bank)                           |
| Makino Milling Machine                    | \$190             | 1994 | 2%     | 100     | 100.13   | Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.50%. Terms to be set March 12. (Deutsche Bank)                           |
| Matsushita Electric Industrial            | \$1,000           | 1994 | 2%     | 100     | 96.00    | Noncallable, Each \$10,000 note with 2 warrants exercisable into company's shares at 2.163 yen per share and at 152.30 yen per dollar. Fees 2.50% (Nomura)                                    |
| Mitsubishi Oil                            | \$250             | 1994 | 2%     | 100     | 94.75    | Noncallable, Each \$10,000 note with 2 warrants exercisable into company's shares at 1.374 yen per share and at 151.25 yen per dollar. Fees 2.50% (Franklin)                                  |
| SMC                                       | \$300             | 1994 | 2%     | 100     | 100.25   | Noncallable, Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.50%. Terms to be set March 12. (Deutsche Bank)                           |
| Daily Mail & General Trust                | £70               | 2005 | 5%     | 100     | 100.25   | Noncallable, Convertible into shares of Reuters Holding PLC at 1.207 pence per share, a 10% premium. Fees 2.50% (Barings Brothers & Co.)  |

## Rhône-Poulenc Seeks \$1.6 Billion Loan

By Carl Gewirtz

PARIS — Rhône-Poulenc, the French state-owned chemical company, is preparing to tap the international credit market for a loan of \$1.6 billion to help finance its \$3.2 billion purchase of a 68 percent stake in Rorer Group Inc., a Philadelphia-based drug company.

Bankers described the terms of the seven-year loan as aggressively narrow, explained by the fact that the mandate to arrange the credit was awarded to a relative outsider, Royal Bank of Canada.

Interest on the loan starts at 15 basis points over the London interbank offered rate for the three years, then rises to 20 basis points in the final four years.

Bankers in Paris said London said that in today's market conditions, the margin on the loan should be at least 25 basis points, rather than the average 18 basis points it is offering to pay.

In London, Reckitt & Coleman PLC announced it will be tapping the market for a two-year loan of \$1.7 billion. This will cover the \$1.25 billion it is paying to take over Boyle-Midway, the household-products division of American Home Products Corp. Boyle-Midway adds such leading brands as Woolite and Easy-Off oven

## Firm Turns to Royal Bank of Canada For Help on \$3.2 Billion Rorer Stake

cleaner to Reckitt's portfolio and doubles the size of its U.S. core household and toiletries business, company officials said.

In addition to the loan, which covers the acquisition cost and the refinancing of existing borrowings

last week that it was reviewing Reckitt & Coleman with a view to downgrading its high short-term credit rating because of the cost of the takeover is likely to significantly affect the group's financial structure.

Terms of the syndicated credit, which is being organized by S.G. Warburg, will not be revealed until later this week.

Elsewhere in the market, Greece appointed nine banks, headed by Chase Manhattan, to syndicate a \$500 million, eight-year loan. The lead group subsequently was expanded to 14 banks.

Both the terms and the timing raised eyebrows as the Greek economy is in urgent need of fundamental overhaul and the country goes to the polls April 8 for the third general election in 10 months.

Managers said the intention is to achieve a speedy syndication so that the banks can close before the end of March to accommodate Japanese banks, whose fiscal year ends then.

The Japanese are expected to provide at least half the total loan.

Interest is set at 35 basis points over LIBOR for the full eight years, with fees of 30 basis points to

banks underwriting \$17.5 million.

Greek officials said the favorable pricing reflected a willingness of banks to look beyond the country's political and economic problems, and also the fact that Greece is a member of the European Community.

There are very few international borrowings these days from countries like Greece, that carry a zero capital-risk weighting on lenders' books.

Chase will also be syndicating a \$211.44 million loan for Ethiopian Airlines. This will be in the form of senior debt, while General Electric Capital Corp. will provide another \$100 million as subordinated debt. The 15-year loan will be secured by aircraft.

In the commercial-paper market, General Electric Capital Corp. appointed Shearson Lehman Hutton International to arrange a \$2 billion multicurrency Eurocommercial paper program with Citicorp, Kidder Peabody, J.P. Morgan and UBS/Phillips & Drew named as additional dealers.

Shell Finance of the Netherlands appointed Citicorp to arrange a \$1 billion Eurocommercial paper program that incorporates a medium-term note option. Additional dealers are Daiwa, J.P. Morgan, Swiss Bank Corp. and UBS.

But no administration official has suggested publicly that Mr. Greenspan's job might be on the line if he failed to respond to this pressure.

Roger Bolton, an assistant secretary of the Treasury, called the Los Angeles Times report "unfounded."

## Greenspan Report Is Rejected

New York Times Service

WASHINGTON — A report that President George Bush is unlikely to ask Alan Greenspan to stay on as chairman of the Federal Reserve Board when his term expires in 17 months has drawn strong denials from the White House and the Treasury.

The report by the Washington bureau chief of the Los Angeles Times, was taken seriously by some analysts, who saw it as another sign of White House unease with monetary policies that have led to about a half-percentage-point increase in long-term rates this year.

More broadly, the report was seen as marking another chapter in a story of uneasy relations between the White House and the Fed.

Richard G. Darman, director of the Office of Management and Budget, and Mr. Bush himself have said that the Fed should lower interest rates to maintain growth.

But no administration official has suggested publicly that Mr. Greenspan's job might be on the line if he failed to respond to this pressure.

Roger Bolton, an assistant secretary of the Treasury, called the Los Angeles Times report "unfounded."

## Banks Lose Appetite for Soviet Loans

LONDON — The Soviet Union, once rated as one of the world's safest credit risks, has fallen on hard times within international banking circles, according to British economists and bankers.

Western banks have lost much of their appetite for making Soviet loans, thinking the ranks of would-be lenders and forcing up the potential cost of new hard-currency financing.

Some analysts even believe the Soviet Union can no longer count on commercial lenders for a ready and predictable market in big loans.

"The Soviet Union has moved from being a country with a high credit rating to one on the margin of having debt-servicing problems," said David Dyker, a specialist in East European economics at the University of Sussex.

Just over a year ago, the Soviet Union could not only count on ready markets for fresh loans, the cost of new financing was actually being driven down amid Western optimism over the pace of economic changes.

But political and economic chaos, underscored by fears of civil war, have undermined Western confidence in the country's ability to dismantle its monolithic economic system.

Some Western banks are trying to cut Soviet debt exposure by offering old loans for sale at 3 percent to 5 percent discounts to face value — which analysts say puts yields at a full percentage point above initial borrowing costs.

Late in 1988, when Western euphoria over perestroika was at its height, the Soviet Union's Vnesheconbank was able to raise Western bank loans at a slim margin of 0.1875 percent over the London interbank offered rate, well below the 0.625 over LIBOR that prevailed just before Mr. Gorbachev came to power in 1985.

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## U.S. Bonds Fall on Jobless Report

Compiled by Our Staff From Dispatches

NEW YORK — Prices of U.S. Treasury securities tumbled last week with much of the decline coming Friday after the government reported an unexpectedly large rise in civilian employment in February.

The Treasury's bellwether 8% percent bonds that mature in 2020 closed Friday at 98 22/32, to yield 8.62 percent, down in price from 99 11/32 and a yield of 8.56 percent a week earlier.

Traders said the jobs report undermined bond market investors because it was taken as a sign of U.S. economic strength that raised fears of inflation and higher interest rates, either of which would reduce the value of existing fixed-income debt issues.

In its report, the government said 372,000 jobs were created in February. It also revised the increase in January jobs to 332,000 from 275,000.

Credit market analysts were quick to note that the February increase included the hiring of some 30,000 excess workers and the rehiring of roughly 70,000 workers laid off in January, as well as an increase in construction

work, brought on by the mild weather of the last two months.

Nonetheless, prices of fixed-income securities plunged in the morning on Friday and remained depressed throughout the day.

The biggest losses were posted in trading of bond futures at the Chicago Board of Trade. People in the

U.S. CREDIT MARKETS

futures market took the job data at face value, traders said, and sold throughout the session.

Analysts said that the data on Friday are unlikely to change to steady posture of Fed policy, but that they shift the long-term focus from a probable easing of conditions to a possible tightening.

"It is probably inappropriate to fear an outright tightening of monetary policy," said Elliot Hart, economist at Donaldson Lufkin & Jenrette Securities Corp. But he added that "it is quite likely that many analysts will turn to thoughts of potential Fed policy firming."

The shift in sentiment was reflected in sharp rises in some short-term interest rates last week.

Rates on three-month Treasury

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## WORLD STOCKS IN REVIEW

## Amsterdam

Slightly lower yields on fixed-income securities and satisfactory company results pushed Amsterdam's CBS all-share index up to 192.60 at the end of the week, against 188.7 the previous Friday.

Analysts said there had been no fundamental changes, and volume remained low. Turnover was only 6.7 billion guilders, of which 2.9 billion was in equities. The previous week's volume was 6 billion guilders, with 2.6 billion in equities.

## Frankfurt

Optimism prevailed over uncertainty regarding German monetary union, sending stock prices higher, brokers said.

The DAX index jumped 40.51 points on the week to close at 1,858.74 Friday, while the Commerzbank index gained 77 points to 2,269.

Investors were reassured by publication of positive economic data, such as a slight slowdown in the inflation rate, to an annualized 2.6 percent in February from 2.7 percent in January.

Volume on West Germany's eight stock exchanges totaled 39,044 billion Deutsche marks, well up from 29.13 billion the previous week.

Gains were registered across the board, with the sharpest rises in capital goods as West German companies rush in to help revive the East German economy.

KHD gained 24.50 DM to 278, Linde 29 to 894 and Mannesmann 17.50 to 363.50. Daimler-Benz also rose sharply on news of discussions with Mitsubishi of Japan, advancing 22.50 DM to 897.50.

## Hong Kong

Share prices fell on lack of trading incentives and a discouraging report on last year's economic growth rate. The Hang Seng Index dropped 25.26 points, or 0.86 percent, on the week to close at 2,912.67 on Friday.

Average daily turnover dropped to 933.29 million Hong Kong dollars from the previous week's 1.05 billion.

Dealers said most investors adopted a wait-and-see attitude during the week. The government's budget presentation on Wednesday painted a gloomy picture of the economy, with last year's growth rate falling to 2.5 percent, less than half the official forecast of 6 percent.

## London

The market had an uneasy week as political factors provoked a loss of investor confidence both at home and abroad.

Mounting voter opposition to the new poll tax, to take effect from April, and speculation of a move within the Conservative Party to oust Prime Minister Margaret Thatcher, had a particularly depressing effect on sterling and thus on government securities.

But equities also took a knock, despite repeated attempts to rally on the back of a string of encouraging company results. The FTSE 100 share index ended the week down 20.5 points at 2,343.3.

Trading volume remained very thin, and though several brokers pointed to an upturn in economic activity in 1991 and an improvement in share prices later this year, speculation continued that several big securities houses are in difficult

## Milan

The market had a generally positive week, analysts said, despite some irregularity in share prices and a drop in weekly volume.

The MIB index rose from 960 to 970 on the week, a gain of 1.04 percent, while the Comit indicator improved by 0.98 percent, from 699.79 to 706.25. About 80 billion shares changed hands a day on average, worth 140 billion lire.

Among leading issues, Fiat rose by 2.60 percent on the week, Pirelli SpA by 3.49 percent, STET by 2.78 percent and Comit by 2.99.

## Paris

The Bourse scored a weekly gain for the second time in a row, with prices up by about 3 percent. This was particularly due to the French economy's strong performance, analysts said. Recent rises have helped overcome the sharp losses of the year's first few weeks.

Analysts say a drop in French interest rates is likely, a development presaged last week as the call-money rate dipped below 10 percent.

## Singapore

Release of a favorable government budget report did not help the market; attention remained focused on the Tokyo market and the yen's weakness.

While institutional investors stayed on the sidelines, speculative buying and bargain-hunting by smaller investors boosted the Straits Times industrial index to 34.71 points, to close the week at 1,586.18. On the broader market,

## Tokyo

Prices finished lower on the week, after extremely volatile trading.

The Nikkei average closed at 33,993.12 on Friday, off 64.44 for the week, following the previous week's hefty 833.41-point loss.

The Tokyo Stock Price Index of all common stocks on the market's first section shed 2.68 points to wind up at 2,339.89, after a 12.34-point decline the preceding week.

Average daily turnover also fell from the previous week's 592.6 million shares, to 539.1 million shares.

Trading was erratic throughout the week, with the Nikkei losing 695.22 points in the first three days of trading. The weaker yen, coupled with lower bond prices and arbitrage selling between stock and stock-index futures, weighed heavily on investors' minds, analysts said.

## Zurich

The market managed a 1.2 percent gain in tight trading, with high interest rates still keeping many investors away from stocks, operators said.

The Swiss performance index finished at 1,109.8, against 1,096.7 the previous Friday. The Credit Suisse index closed at 608.4 against 600.2, while the Swiss Bank Corp. indicator ended at 644.5, against 636.7.

The week's only exciting performer was Immuno, an Austrian pharmaceuticals firm that announced it had successfully tested an anti-AIDS vaccine on a chimpanzee. Its stock surged 680 francs, or 18 percent, on Wednesday alone.

## Hooker Sells Kuala Lumpur's Paper Chase

## Bonwit Units To Pyramid

By Isadore Barmash

New York Times Service

NEW YORK — An agreement by Pyramid Cos. to buy five Bonwit Teller stores is likely to ensure the survival of one of the oldest U.S. retailers at a time when a number of other famous chains have vanished.

The purchase of the retail chain's flagship in Trump Tower in Manhattan, was announced late Friday. Terms of the deal were not disclosed, although Pyramid, a real estate development and investment concern based in Syracuse, New York, said it will pay cash.

Rendell executives said that the proposed sale by L.J. Hooker Corp., which must be approved by a U.S. Bankruptcy Court judge, indicated that the Bonwit name still has enough luster to be used on anchor stores in future malls.

The chain had come under a cloud since Hooker, the American arm of Hooker Corp. of Australia, filed for protection from its creditors last August.

Six of the seven stores of B. Altman & Co., another venerable New York-based retail chain owned by Hooker, were liquidated in January after the chain failed to draw acceptable bids.

The other Bonwit stores that Pyramid intends to buy are those in Boston, Buffalo, Manhattan, New York and Short Hills, New Jersey.

Two other will continue to operate in Hooker-owned shopping centers in Cincinnati and Columbia, South Carolina. Hooker said that it would try to sell the remaining nine stores.

## Kuala Lumpur's Paper Chase

## Exchange Strives To Solve Problem Of Missing Scrip

By Isadore Barmash

New York Times Service

KUALA LUMPUR — Confidence in the Kuala Lumpur Stock Exchange, which rallied strongly in the past two months, has taken a knock as the exchange struggles to overcome the problem of missing share scrip, analysts say.

Analysts said that the problem has forced many investors to the sidelines. The exchange has remained silent on the extent of missing scrip, but financial experts estimate its value at about 200 million ringgit (\$74 million).

"People are just adopting a wait-and-see attitude," said Lee See Kwan of W.L. Carr (Far East) Ltd. "It has not reached crisis stage, but the problem is serious enough."

Daily turnover on the exchange hit a high of 213.44 million shares valued at 453.58 million ringgit on Feb. 6, but has since slid to 41.97 million shares valued at 108.06 million ringgit last Thursday.

On Friday, the composite index closed at 606.54, up from 603.92.

Analysts said while the recent decline was due partly to uncertainty on the direction of the much-watched Tokyo market, the problem of missing scrip had largely dampened local trading interest.

Mr. Lee said foreign funds had helped cushioned the fall when local players withdrew. "If foreigners did not buy, the market would have collapsed," he said.

Patrick Lim, president of the Malaysian Investors Association, said, "People are cautious because they don't want to take the risk of buying and not getting their scrip."

Under the exchange's regulations, investors can only sell their shares if they have the scrip in hand. Mr. Lim said that without the scrip, those who paid for the shares would not be able to subscribe to rights and bonus issues.

## Exchange Strives To Solve Problem Of Missing Scrip

## Authorities are silent on the extent of missing scrip, but experts estimate its value at about \$74 million.

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They also would not get dividends, which most companies on the exchange announce in March along with their annual results.

"I anticipate a lot of legal suits by people who will lose out simply because they have not got their scrip," Mr. Lim added.

Analysts said that while any lawsuits would be between the brokers and their clients, the odds would ultimately fall on the exchange's Securities Clearing Automated Network System or SCANS, which has been blamed for delivering

ing scrip to the wrong broking firms.

As one analyst said, "SCANS must accept responsibility."

The missing scrip is believed to be in the hands of brokers who have ignored appeals by the exchange that the scrip be returned to the SCANS for delivery to its rightful owners.

One step the exchange could take, analysts said, would be to get brokers to accept so-called "contra" deals. In such a deal, investors

buy and sell the same shares fast for a quick profit without taking delivery or paying fully for them.

Katun Tahir, president of the Reminders Association of Malaysia, said: "We have been saying all along that contra deals should be allowed to get investors back into the game. It provides the speculative element the market needs."

Another interim measure would be for SCANS to buy shares in the open market to replace the missing scrip. One analyst said, "This would appease the investors, who will get their scrip."

The problem has also spread to Singapore, where contracts traded on the over-the-counter market have been affected by the non-delivery of scrip from Malaysian brokers, analysts said.

On Friday, Singapore stockbroker Ong & Co. announced that it was suspending purchases of all but 16 of the total 134 Malaysian stocks traded on the CLOB International market. Dealers attributed the move to the problem of missing scrip on the Kuala Lumpur exchange.

Meanwhile, analysts speculated that the Malaysian government would step in if the Kuala Lumpur exchange could not solve the problem soon.

Mr. Lim said: "With a general election looming, the government will not allow the market to collapse. If it looks imminent, government-owned institutions will be asked to support the market."

But analysts said that such intervention would carry a price, including a possible reorganization of the exchange for failing to solve the problem promptly.

The Kuala Lumpur exchange has called for a special audit of all local stockbroking firms.

## CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, March 9.

| Option & price | Colls | Puts | Option & price | Colls | Puts |
|----------------|-------|------|----------------|-------|------|
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## Option &amp; price Colls Puts

| Option & price | Colls | Puts | Option & price | Colls | Puts |
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| 182% 199 1/2   |       |      | 182% 199 1/2   |       |      |



**Charles Walker**



Page 12 **PROFILE****The Sea Changes  
In Asian Markets**

By Patrick L. Smith

**A**T THE early age of 30, Marshall Auerback already qualifies as a veteran of the tumultuous Asian investment scene. While a portfolio manager for GT Management (Asia) Ltd. in Hong Kong, he earned his stripes as an advance scout in cities like Bangkok and Manila, whose stock markets came to symbolize the region's investment boom.

Now managing five Japan and Far Eastern funds in GT's Tokyo office, Mr. Auerback is keenly aware that Asian markets and those who once commanded them are going through a sea change of sorts, the region's version of the same wheat-from-chaff, man-from-boy division so apparent in New York these days. The days of easy returns are over.

"The areas I cover have fundamentally changed since the mid-to-late 1980s," Mr. Auerback said in his Kasumigaseki office the other day. "These are stock pickers' markets now. You need a much better sense of what constitutes a good company, and you need to combine that with a bit of solid macro-economic analysis."

Mr. Auerback seems to have made the adjustment without much difficulty. In the 12 months ended Jan. 31, his principal portfolio, the \$30 million GT Far East and General Fund, finished fourth of 59 British-authorized unit trusts invested in Asia, including Japan. With a gain of just under 60 percent, the fund narrowly missed doubling the average performance of funds in its category.

No visitor to Southeast Asia in the years of the emerging-markets craze can blame Mr. Auerback for his nostalgia for the frontier atmosphere of cities such as Bangkok. Even up to 1987, you could walk

into the Stock Exchange of Thailand in the early afternoon to find it cool, dark and entirely empty. These markets were effectively Mr. Auerback's first exposure to portfolio management. After earning a degree from Queens University in Ontario in 1981 and a law degree at Oxford two years later, he moved to Hong Kong in 1983 following a brief stint in GT's London office.

He was credited almost immediately with putting Bangkok on the map for international investors. When he took over Southeast Asia investments, GT had \$10 million to \$15 million invested in Bangkok Bank, Siam Cement and one or two other predictable Thai stocks. By the time he transferred to Tokyo, his funds had 10 times that amount riding on 15 to 20 issues.

The results of such aggressive investing in the region's small markets were impressive. The GT Asian Fund under Mr. Auerback grew 88 percent from 1985 to end-1987 and the South China Fund (now the Hong Kong Fund) was up 77 percent. These figures include the sharp dips both funds suffered in the calamity of October 1987.

But what brought Mr. Auerback to East Asia, he believes, was a confluence of events unlikely to be repeated. U.S. demand for goods was growing at twice the global rate, creating a burgeoning market for Asian companies. The dollar was dropping, and the yen's rise was generating huge capital flows into Japan.

The East Asian economies will continue to produce respectable returns for investors, Mr. Auerback believes. But the days are largely gone, he says, when an investor could find a stock trading at five times its annual earnings and still paying a dividend equal to an 8-percent annual yield.

"It was almost a 'no-brains' decision to go into those markets,"



Marshall Auerback in GT's Tokyo office.

because everything was going up, the good and the bad," Mr. Auerback recalls. "But the bulk of the re-rating has already occurred. I like investors going in now to people coming in on the fourth course of a five-course meal."

Moving to Tokyo has been a rounding-out process for Mr. Auerback. "Seeing capital flow at the source fills in the Asian puzzle," he says, acknowledging Japan's role as the prime financial mover in the region. But he arrived in Tokyo in time to catch another fundamental shift.

The huge buildup of surplus cash in the latter half of the 1980s created yet another easy-money game that created virtual one-way bets on Japanese blue-chips. But February's downturn signaled the end of those heady days.

"The huge inflows of money from 1985 to end-1988 meant that you plopped funds into very liquid stocks and easily outperformed time deposits, if that was your objective," Mr. Auerback says. "Smaller growth companies were de-rated, despite their often superior growth prospects."

Not surprisingly, Mr. Auerback's strategy has been to concentrate on just those stocks that are underrepresented in the Nikkei average, which is why he easily outperformed the market last year. Given Japan's current uncertainties, however, he has recently reduced Far East and General's

Tokyo exposure from 75 percent to 50 percent while keeping most of his smaller growth stocks.

Sankei, a specialist in air-conditioning systems for office buildings, is the kind of stock that Mr. Auerback is holding on to. He purchased the shares last year when they were trading at 28 times their forecast earnings. Sankei has since moved up 80 percent, but its price-earnings ratio is still below the market's average. Followers of the company expect it to report a doubling of earnings in the year ending in March.

When it comes to the international view, Mr. Auerback does not like to spread his bets too thin. Too many funds overdiversify, he believes, and pay for it in average-to-below-average performance.

Asked to come up with a model "Auerback Global Fund," he steers clear of Asia's trendiest small markets. Instead, he would put 25 percent in West Germany and 10 percent elsewhere in Europe, mostly France. Twenty percent would go into Japanese growth stocks, while the U.S. market would command only 15 percent.

"If you're going to take a punchy hit on a country," he says with a veteran's firmness, "make it a minimum of 10 percent, or don't go in at all."

**A Flood  
Of Funds  
In Europe**

Continued from page 13

companies, with up to 20-percent earmarked for companies in East Germany and 10-percent in other East European countries.

Skeptics say a number of situations may hinder the success of these strategies. The share prices of the big companies whose prospects in Eastern Europe are good have already been bid up to pricey levels. Moreover, investors have grown cautious that the huge capital needs of Eastern Europe will force interest rates higher, having a negative effect on stock markets.

The ability of these funds to take stakes in Eastern European companies will be severely restricted for some time because of those countries' lack of capital markets. "The possibility of portfolio managers rushing into exchanges in Prague and Budapest to buy shares via Western methods soon is remote," says James Mellon of Tyndall Holdings.

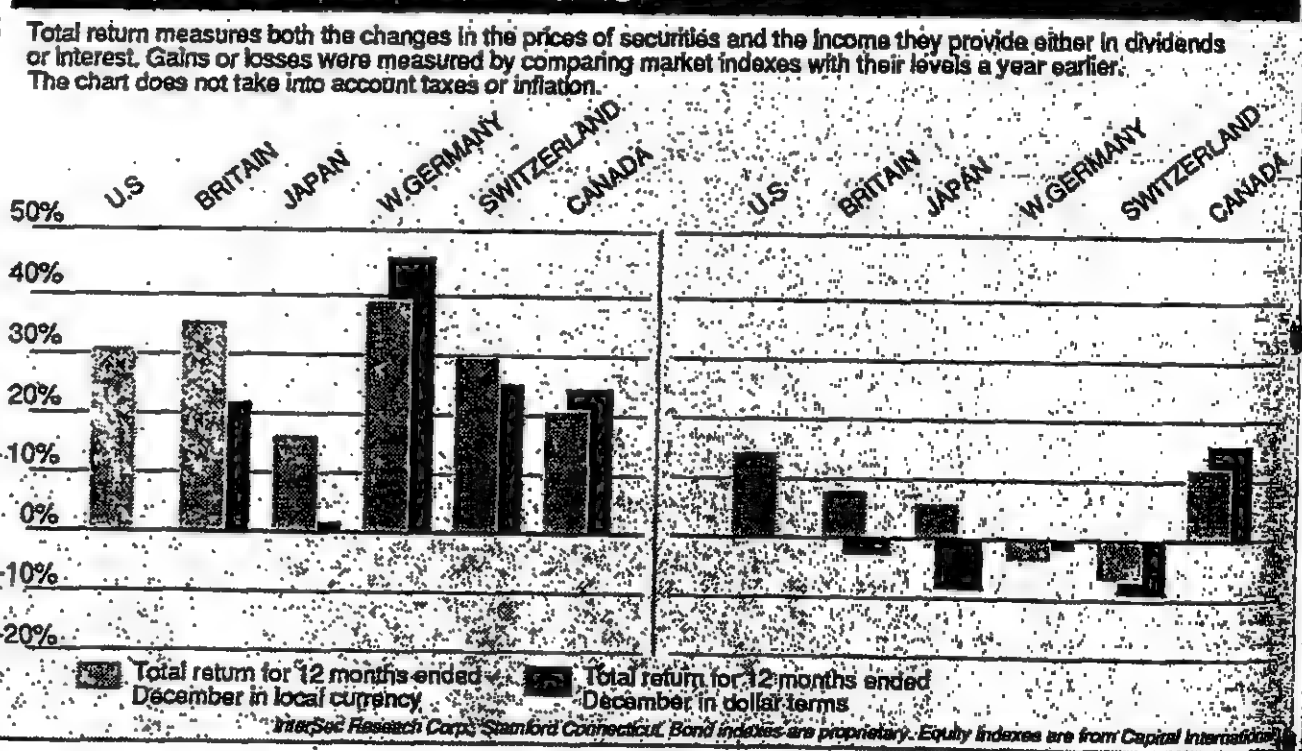
And the few opportunities for direct plays, such as the handful of Hungarian companies listed on the Austrian exchange, have been quickly bid up to formidable prices. A recent offering of Skala, Hungary's largest consumer-goods trader, was oversubscribed by 40 percent.

A few funds have been set up to undertake what is, in effect, venture capital investments in Eastern Europe. While investment companies such as Emerging Europe Fund, a Tyndall-administered fund, and the First Hungary Fund are not open to the average individual investor, stakes in these portfolios are often purchased by other funds. The Austria Fund has placed about 2.5 percent of its assets in First Hungary, while London-listed European Investment Project Trust, a Tyndall fund, will take a stake in its sister portfolio, Emerging Eastern Europe.

But these venture-like funds have yet to complete major deals in Eastern Europe. And some institutional investors, while ac-

**February Market Scoreboard**

| Best Performers  |               |                | Worst Performers        |               |                |
|--|---------------|----------------|-------------------------|---------------|----------------|
|  | Price Feb. 28 | Percent Change |                         | Price Feb. 28 | Percent Change |
| <b>New York Stock Exchange:</b>                                    |               |                |                         |               |                |
| Compiled by Media General Financial Services. Prices in dollars.   |               |                |                         |               |                |
| West Point Paper   | 41.00         | +42.6          | Austria Fund            | 15.88         | -35.1          |
| McClatchy Newspapers A   | 25.00         | +35.1          | Talvan Fund             | 26.88         | -30.8          |
| Amphen Electronics   | 23.38         | +34.5          | Malaysia Fund           | 16.88         | -27.4          |
| Monroe Capital   | 17.13         | +34.4          | Germany Fund            | 16.88         | -25.9          |
| Desco Inc.   | 38.00         | +33.3          | New Germany Fund        | 17.00         | -25.7          |
| CUC International Inc.   | 16.25         | +32.7          | Thai Fund               | 25.25         | -25.4          |
| Xtra Corp.   | 31.38         | +28.7          | Italy Fund              | 13.13         | -25.0          |
| Cabletron Systems  | 10.88         | +28.0          | Interim Inc.            | 39.25         | -22.9          |
| Hudson Foods A   | 12.38         | +27.0          | KLM Royal Dutch         | 17.75         | -21.8          |
| Cypress Semiconductor  | 11.38         | +26.4          | Nave Corp.              | 14.88         | -21.2          |
| <b>American Stock Exchange:</b>                                    |               |                |                         |               |                |
| Compiled by Morgan Stanley Capital International. Prices in pence. |               |                |                         |               |                |
| Lezare Kaplan Int'l.   | 14.25         | +51.9          | Barnwell Industries     | 24.75         | -25.4          |
| Selco Inc.   | 11.13         | +41.2          | First Iberian Fund      | 12.88         | -21.9          |
| Brinks Manufacturing   | 45.13         | +37.3          | Jonas Interchange       | 10.75         | -21.1          |
| Shaw Shoe Corp.  | 12.75         | +35.9          | Echo Bay Mines          | 15.88         | -20.8          |
| Lea's Industries   | 14.75         | +34.1          | Columbia Labs           | 10.38         | -19.3          |
| Pac Inland Economic Co.  | +12.5         | 12.00          |                         |               |                |
| <b>Over the Counter:</b>   |               |                |                         |               |                |
| Compiled by Morgan Stanley Capital International. Prices in pence. |               |                |                         |               |                |
| Basic Petroleum Int'l.   | 10.38         | +53.8          | Code Alarm              | 12.25         | -32.8          |
| Kentucky Medical Int'l. A  | 24.25         | +42.6          | Midwest Grain           | 15.25         | -26.3          |
| Emcon Associates Inc.  | 15.75         | +37.0          | For Better Living Inc.  | 10.00         | -23.1          |
| Agency Rent-A-Car  | 13.63         | +36.3          | Branton Banks Inc.      | 12.50         | -23.1          |
| Bullders Transport   | 12.75         | +34.2          | First Constitution Fin. | 10.25         | -22.6          |
| <b>Tokyo Stock Exchange:</b>                                       |               |                |                         |               |                |
| Compiled by Morgan Stanley Capital International. Prices in yen.   |               |                |                         |               |                |
| Shinagawa Refractories   | 2,360         | +33.5          | Katsushika Industries   | 5,730         | -19.2          |
| Chiyoda Corp.  | 1,940         | +24.4          | Orin                    | 5,370         | -18.6          |
| Yokohama Specie Bank   | 2,120         | +24.0          | Sunimono Metal          | 1,800         | -18.3          |
| Nitroden   | 18,900        | +16.7          | Hibachi Credit          | 1,550         | -18.4          |
| Tsugami  | 1,180         | +14.9          | Nichido Fire & Marine   | 1,260         | -18.2          |
| Tokden Construction  | 1,900         | +14.5          | Yasuda Trust            | 1,800         | -18.2          |
| Nippon Chemical Ind.   | 2,800         | +13.8          | Nitto Denko             | 1,820         | -17.8          |
| Sankyo Aluminum  | 1,750         | +12.2          | Matsuzakaya             | 6,810         | -17.4          |
| Fujita   | 1,910         | +11.7          | Toho Zinc               | 980           | -17.3          |
| Pioneer Electronic   | 6,670         | +11.5          | Tokai Bank              | 2,040         | -16.7          |

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**Junk Bond Funds**

Continued from page 13

my. Downturns in earnings, the loss of a contract or signs that management is shedding its holdings in the company can quickly drive down the value of a junk bond. In contrast, interest-rate moves and inflation prospects are key factors in the returns on high-quality bonds.

"I always encourage people to think of junk bonds as high-risk stocks that may or may not pay a dividend," says Mr. Mackinnon. "If they don't, the share price will fall dramatically."

Given these characteristics, he says, junk bonds should not be more than 10 percent of an investor's total portfolio. Even the investors should steer clear of funds with bonds rated less than Baa, he says.

Another mistake investors make, says Louis Harvey of DeBar Financial Services in Boston, is to focus only on a fund's yield. The yield is the fund's annual dividend divided by its net asset value. A better gauge of a fund's success, he reminds, is total return, a measure of performance that takes into account the change in the fund's net asset value and the income from dividends.

Says Mr. Harvey: "There is no point in buying a fund that pays yields of 15 percent to 20 percent if the value of the thing will drop 15 percent to 20 percent."

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## BOURSES

## Sizing Up South African Prospects

A peaceful outcome could have major fallout.

By Victoria English

**LONDON** — BARS from now, historians may be arguing about whether Frederick W. de Klerk's decision to free Nelson Mandela and legalize the African National Congress was the turning point in the evolution toward democracy in South Africa.

For the moment, however, only one thing is certain. The changes in South Africa fall into the same category of shattered precedents as the democratic upheavals in Eastern Europe. And both situations hold major investment potential if political reforms proceed peacefully, say professionals.

"People are looking for new investment standards," says Michael Hughes, chief equity strategist at Barclays de Zoete Wedd. "This is a period of mega-change."

While acutely aware of the risks ahead, some London analysts believe South Africa offers more investment potential than Eastern Europe. Shearson Lehman Hutton analyst, Robert Davies, compares South Africa's potential to "another South Korea."

Unlike the former Soviet bloc economies, note some analysts, South Africa has a modern infrastructure, a stock market, and a Western-style banking system, plentiful foodstuffs and a growing consumer class. In addition, it sits on the edge of a potentially huge consumer market at home and in the rest of Africa.

"If apartheid is dismantled and there's more job equality, blacks will be able to buy any of the goods they want because the actual goods are in supply," says Mark Wood, an analyst at Kleinwort Benson Securities. "In Eastern Europe, you can be high on the hierarchy but still be wanting in the basics."

## U.S. Brokers Give ADRs a New Twist

By Vivian Lewis

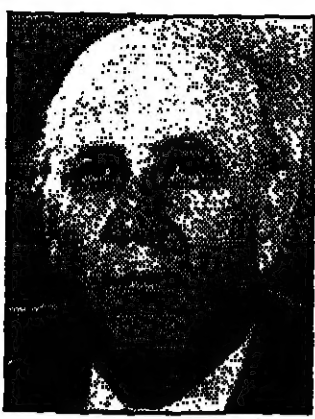
**NEW YORK** — ONE OF the signs that U.S. investors are finally coming around to a more global view of investment has been the surge in the number of American Depositary Receipts.

The number of these securities, essentially certificates representing the shares of non-U.S. companies, rose sharply last year. At the end of 1989, 804 ADRs were listed on U.S. exchanges, nearly quadruple the number a year earlier. These proxies for foreign shares have been highly touted as a cost-efficient means for investors in U.S. markets to buy shares of a non-U.S. company.

The advantages of ADRs is that they take the expenses of international investing off the balance sheet, says Dimitri Balasos, director of global investing at Kidder Peabody. "You can avoid having to open foreign brokerage accounts, and you have no problems with storing and warehousing your shares, as you would if you bought on foreign markets."

Now, U.S. brokerages are going a step further by packaging ADRs in new forms for their retail clients. Merrill Lynch recently assembled a unit trust of 36 ADRs. The three largest holdings are the ADRs of German companies — Dresdner Bank, Deutsche Bank and Volkswagen.

In U.S. brokerage jargon, a unit trust is an unmanaged portfolio of securities. Like a conventional fund, holders have a claim on a prorata share of the underlying



F.W. de Klerk

But the road to these sweeping social changes is filled with danger. Among them is the possibility of a conservative white backlash to Mr. de Klerk's efforts to dismantle legislation that made separation of the races a key element of South African society. Another is a revolt by impatient urban blacks. And lack of progress on the political front could also delay the lifting of international sanctions against Pretoria.

"I expect to see the situation swing back and forth from pessimism to optimism," Mr. Wood said. "We'll see a lot more rhetoric from now on from both sides."

One sign of the nervousness can be found in the behavior of the financial rand, the investment currency used in South Africa's two-tier foreign exchange system. Before Mr. de Klerk announced his political initiatives to Parliament on Feb. 2, the financial rand was trading at a 25 percent discount to the commercial rand, the exchange rate used for trade and other nonfinancial transactions.

After the speech, the differential narrowed to 20 percent. But two weeks later, when Mr. Mandela said he supported the ANC's policy of nationalization, the differential widened again to 30 percent. In unison, the share market rallied, fell and later stabilized at pre-announcement levels.

In the near term, then, analysts talk mostly of "trading strategies" in South African securities. One is to sell shares and buy South African government bonds. Mark Brown, an economist at the Johannesburg-based brokers Frankel Kruger Inc., notes that South Africa

can government debt currently provides a yield of 22 percent, which takes into account that foreigners buy bonds in the financial rand but receive interest in the stronger commercial rand.

Another strategy is to trade a handful of relatively liquid South African gold stocks listed on foreign exchanges. Examples include Driefontein, Kloof, Vast Reef, and Western Deep Level, all of which have American Depositary Receipts on the U.S. Nasdaq system and on the London stock exchange. Many traders accumulate these shares when they have fallen and then sell when a spurt of optimism drives up prices.

Longer term, with the exception of a handful of large companies, the gold mines face rising costs. At the current exchange rates and in the absence of a significant rise in the price of gold, as much as 40 percent of South Africa's gold industry could show an operating loss this year, predicts Michael Spriggs, an analyst at S.G. Warburg Securities.

For investors who are looking for other bets on a peaceful transition of power in South Africa, there are a number of solid bets. Though unlocking South Africa's huge consumer market will take time, it will likely benefit companies in the retail sector, such as Pick N Pay, a food retailer, and Wooltr, a clothing retailer. Apartheid's demise also could help companies like Premier, a

food manufacturer, and SA Breweries, which are well positioned to export food and beer to the rest of Africa, Kleinwort's Mr. Wood believes.

A gradual dismantling of international sanctions could give a boost to energy and strategic metals concerns belonging to two conglomerates, Anglo American Corp. and Gencor Ltd., says Mr. Spriggs. Coal producers such as Anglo American's 51.2-percent-owned Amcoal unit, and Gencor's 42-percent-owned Trans-Natal Coal Corp. have been selling the fuel below world market prices to Far East customers, industry followers believe.

"The removal of sanctions will enable these producers to raise their market share," Mr. Spriggs says. The removal of sanctions also would help Highveld Steel, an Anglo-American subsidiary and producer of the strategic material, vanadium.

But the payoff on all these companies depends on the resolution of South Africa's thorny political problems. At what point can South Africa be deemed to have turned the corner?

"The real turning point is when apartheid is abolished, and when it's perceived that a democratic alternative is viable in capitalistic terms," says Geoffrey Brown, chief investment manager at the British insurer Sun Alliance. "That is still some ways down the road."

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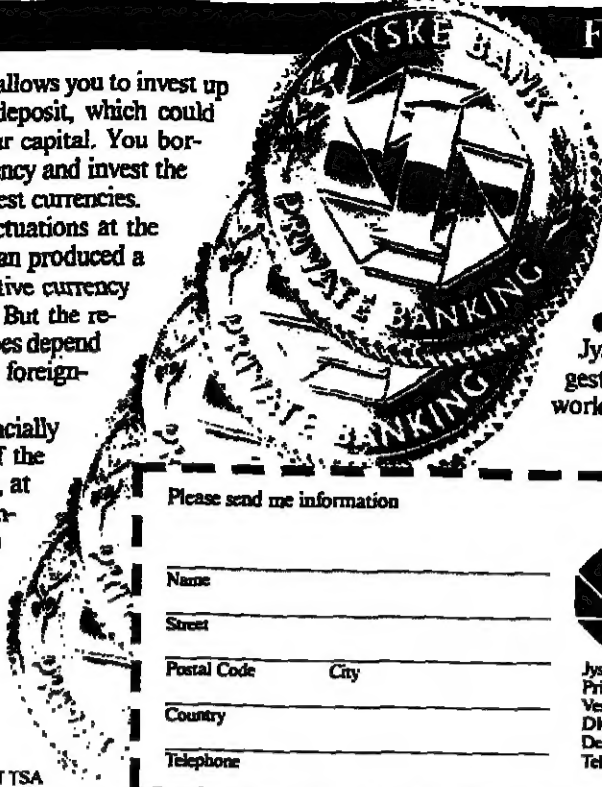
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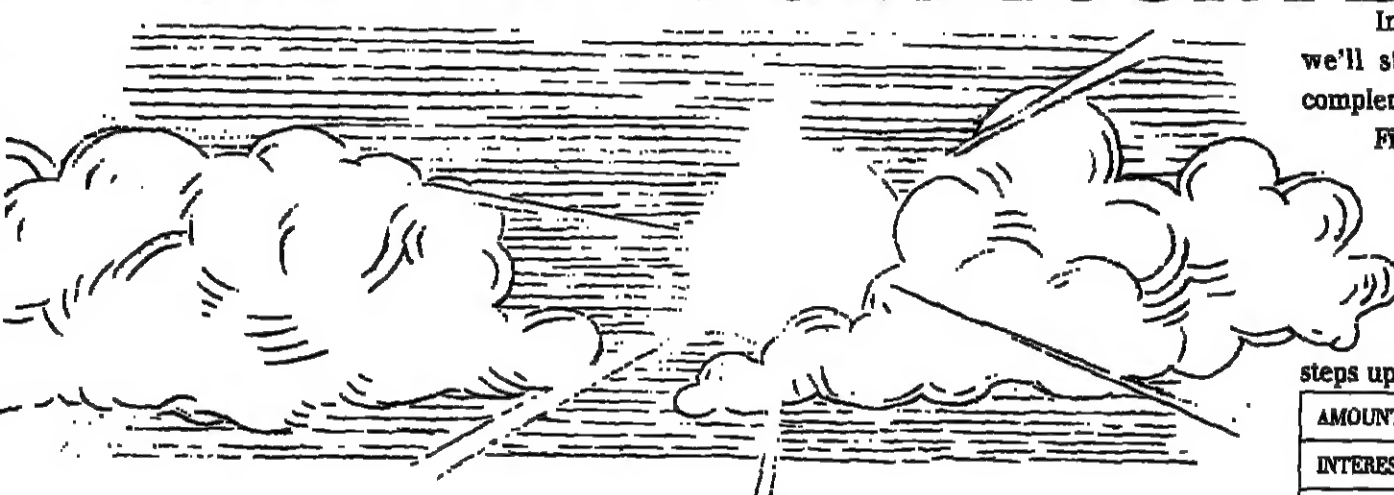
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# MONDAY SPORTS

## Sabatini Finally Stops Capriati With 6-4, 7-5 Victory in Final

**The Associated Press**  
BOCA RATON, Florida — Jennifer Capriati's whirlwind professional debut run through the Virginia Slims of Florida came to an end Sunday when Gabriela Sabatini, the top seed, stopped her, 6-4, 7-5, in the final. Sabatini, No. 3 in the world, won her first title of the year.

Despite the loss, Capriati, a 13-year-old American, became the youngest player since the open era began in 1968 to reach the final of a major professional tournament.

Capriati could not come up with the winners when she needed them the most on Sunday. Down a break of service at 3-2 in the first set, Capriati could only trade games with the stronger, more experienced Sabatini. With Sabatini on the brink of taking the first set at 4-4, Capriati managed to go up love-30 — two points from 5-5.

But Sabatini, as she did time and time again, raised her game and held off Capriati.

It was more of the same in the second set. Capriati went up, 4-2, breaking Sabatini at love, but she could not hold it. Sabatini broke back and then held for 4-4.

Then, at 5-5, Sabatini, with the help of a few missed overheads by Capriati, went ahead by 6-5 before serving out the match.

Capriati had one break point in the final game, at 30-40, but Sabatini came up with a service winner.

**Promises Justified**  
Sally Jenkins of The Washington Post reported earlier: Just by reaching the final, Ca-

prati justified the wild promises made on her behalf.

The 5-foot, 6-inch, 125-pound (1.67-meter, 56.7-kilogram) eighth-grader from Saddlebrook, Florida, defeated Laura Gildemeister of Peru, 7-6 (9-7), 7-6 (7-4), in Saturday's semifinals. That made her 5-0 as she eliminated a fourth seeded player in her professional debut while dropping just one set.

It also made her the youngest finalist, surpassing Andrea Jaeger's feat at 15 years, 2 months, at the U.S. Clay Court championships in Indianapolis in 1980. Jaeger also is the youngest player to have won a tournament, in Tampa, Florida, in 1980 at 15 years, 4 months. Capriati will be 14 on March 29.

And only three players, Austin, Chris Evert and Kathy Horvath, have won their first pro tournament.

"I really can't believe I'm in the finals," Capriati said. "I mean, this is a dream come true for me."

She had demonstrated a different quality in each match. Saturday, it was submissiveness as she overcame 4-2 deficits in each set against Gildemeister, a 25-year-old ranked No. 21 and seeded No. 10.

Capriati's normally deadly strokes were scattered and dull, but she saved off three set points in the first-set tiebreaker before she finally won it, then gradually wrestled away the remainder of the match.

"She plays very well when she's down," Gildemeister said. "She's down all the time, and she just keeps fighting. Some people just give up."

Capriati's debut on the pro circuit had been widely awaited since December, when she signed a \$3

million endorsement contract with Diadora, an Italian clothing and shoe company. And in her first tournament she lived up to predictions like that made by Evert, who said Capriati could be a top 10 player in her first year.

On Friday, she turned in a breathtaking, 6-1, 6-4 upset of Sukova to reach the semifinals. Before that, she had beaten No. 16 Natascha Tausch of France, No. 34 Claudia Porwik of West Germany, and No. 110 Mary Lou Daniels of Chicago.

Gildemeister came into Saturday's match playing some of the best tennis of her career. One of only three working mothers on the tour, she has a forehead that is among the best in the women's game.

But she was bothered by an unruly and clearly partisan Capriati crowd, and her backhand was unstable, ultimately betraying her as Capriati calmly hacked away at it.

All three set points in the first set got away on the backhand side after four unforced errors by Capriati allowed Gildemeister to seize a 6-4 lead in the tiebreaker.

On the first set point, Capriati drove a backhand down the line that Gildemeister pushed into the net.

The second was lost on a line call, the angled backhand volley ruled wide on what Gildemeister said was "a terrible call."

Capriati finally gained a set point of her own with a memorable forehand passing shot, off a running retrieve of Gildemeister's drop shot, for an 8-7 lead. She then clinched it with a high-kicking service winner that forced Gildemeister



Capriati after her 7-6 (9-7), 7-6 (7-4) defeat of Laura Gildemeister.

## Baseball: On Day 25 Just Silence

By Murray Chass

**New York Times Service**  
NEW YORK — With still no end in sight, the spring training lockout entered its 25th day Sunday, the second-longest work stoppage of major league baseball history behind the 50-day strike in 1981.

Although the principals in the labor dispute remained quiet over the weekend, they were not inactive. Commissioner Fay Vincent uncharacteristically declined to comment, but two sources involved in negotiations said Saturday he had met at his home in Greenwich, Connecticut, with Donald Fehr, the players' labor leader.

"I'm in no position to discuss today other than I was in my day," Vincent said by telephone.

One source indicated that the major topic of conversation was the problem of the players who have been in the major leagues between two and three years.

Fehr was not at his home in Rye Brook, New York, and did not reply to messages left for him.

The commissioner would not say if any conversation he might have had in his den or anywhere else in his house had been fruitful.

"I'm not going to talk," he said. "I have no comment. Nothing's changed. There's been no development."

One rumored development was that he was considering a decision to order spring training camps opened, thus ending the owners' lockout.

"I heard I was going to be announcing something," he said, then speculated that the rumor might have arisen because he canceled network television interviews scheduled for Saturday and Sunday.

Last Thursday, Vincent asked the owners to lift the lockout if the players gave a no-strike pledge. The owners agreed, but the players said they could not.

Vincent, however, said he would try and find a way to deal with the union's concerns about the possible consequences of the union's relinquishing its right to strike. He began that effort Friday and said Saturday he hoped to be able to do so.

Union officials, however, have made it clear they see no way they could offer not to strike and no way the commissioner or anyone else could find a way to make it possible for them to do that.

The way the two sides stand, the owners don't want to give ground on the arbitration eligibility matter and the players have no interest in the owners' bonus pool plan for players who have been in the major leagues between two and three years.

The negotiations have not met since Wednesday evening.

No one has made any formal pronouncement on the start of the season, scheduled for April 2. But considering that the initial opening games would be played three weeks from Monday, there's hardly a chance of salvaging the start.

Both sides have estimated that players, particularly pitchers, need a minimum of three weeks of spring training to get ready for the regular season.

Even if camps were to be opened Sunday or Monday, they could not be in full swing until later in the week because clubs have not sent their equipment to camp sites in Florida and Arizona.

## SIDELINES

### Ballesteros Wins Balearic Golf Playoff

**PALMA DE MAJORCA, Balearic Islands (AP)** — Seve Ballesteros of Spain headed back Sunday from five shots down, birdied the 18th hole to pull even with Magnus Persson of Sweden, then won the Balearic Open golf tournament on the first hole of a sudden-death playoff.

Three birdies on the back nine gave Ballesteros a closing 68 and an aggregate 269 to tie Persson, who staggered to a 73 after shooting rounds of 65, 65 and 66 on the par-72 Son Vida Golf Club course.

● In Coral Springs, Florida, John Huston shot a two-under-par 70 on Saturday to take a one-stroke, third-round lead in the Florida Classics.

### Trenary of U.S. Wins Skating Title

**HALIFAX, Nova Scotia (Combined Dispatches)** — Jill Trenary's long climb to the highest level of figure skating ended with her victory in the world championships, her first major international title.

After finishing seventh, fifth and third the last three years, the 23-year-old U.S. champion did what she had to do Saturday — finish no lower than second in the long program to assure that Midori Ito of Japan, the defending champion, could not repeat. Ito won the round, but Trenary earned the second-best marks.

In the ice-dancing category, Marina Klimova and Sergei Ponomarenko of the Soviet Union retained the title but the Canadian-raised French duo of Isabelle and Paul Duchesnay scored a moral victory despite settling for the silver medal, beating the Russians in the free dance and posting five perfect marks of 6.0 for artistry.

(NYT, Reuters)

### U.S. Soccer Team Beats Finland, 2-1

**TAMPA, Florida (AP)** — Paul Caligiuri and Bruce Murray each had a goal and an assist as the U.S. national soccer team defeated Finland, 2-1, in a World Cup warmup game here on Saturday.

The United States took a 1-0 lead when Caligiuri, a member of the 1988 U.S. Olympic team, scored off an assist by Murray. Finland tied it early in the second half on a goal by Kimmo Tikkinen. But Murray, a member of the Clemson University team that won the National Collegiate Athletic Association title in 1987, scored the winning goal with 23 minutes left.

### NFL World League Gets U.S. TV Deal

**ORLANDO, Florida (AP)** — The National Football League has agreed to a four-year contract with the USA cable network that guarantees that all games involving U.S. teams in the new World League of American Football will be shown in the United States.

The contract gives USA the rights to 40 Saturday and Monday games in 1991 and 1992, with rights to either Saturday or Monday games the next two seasons. ABC will televise 14 Sunday games in 1991 and 1992, and has first option on Saturday or Monday games the next two years.

The league will play a 10-game schedule with teams in six U.S. cities. Other teams are expected to be in Barcelona, Frankfurt, London, Mexico City, Milan and Montreal. Television arrangements for games between non-U.S. teams are being negotiated.

## LeMond: 'Hurting on Hills' Success Weighs on Cycling's Defending Champ

By Samuel Aht

**ST. ETIENNE, France** — There's no reason to worry, Greg LeMond keeps saying, especially to himself, as he gets off to a slow and painful start in the new professional cycling season.

His celebrity status in the United States — sportsman of the year for both Sports Illustrated magazine and ABC-TV's Wide World of Sports, television pincushion for Taco Bell fast foods — cost him up to three weeks of vital training during the winter.

"One thing led to another and I found myself overwhelmed, too much to do," the 28-year-old LeMond said of the commercial opportunities that arose after he won the Tour de France, the sport's most prestigious race, last July for the second time.

Having lived it up, LeMond is now painfully living it down.

"I'm hurting on hills," he admitted during the eight-day Paris-Nice race, which ended Sunday with LeMond finishing more than eight minutes behind the winner as Miguel Indurain of Spain retained his title by a mere eight seconds over Stephen Roche of Ireland.

"I'm not bad, I'm just bad on the hills," LeMond said, having proved that a few hours later by finishing a minute behind the rest of his team during a long and hilly time trial in the outskirts of St. Etienne.

Riding over 44 kilometers (27.5 miles) of wintry countryside, the American stayed with his Z teammates until the final long uphill ramp, where he was left behind.

"It was hard, a little too hard for me," he said as he pulled a jacket over his rainbow-striped jersey of the world champion. Le-

mond won that jersey a month after his last triumph in the Tour de France, which completed his comeback from a nearly fatal shooting accident in 1987.

Remembering that long ordeal, LeMond refuses now to panic.

"No, no, no," he said hurriedly when asked if he was worried by his poor showings in races in Spain and France since early February.

"Last year if I was riding this way or if I got dropped on a hill, I'd worry and get thinking whether there was something wrong with me. Now I know nothing's wrong. It's just a matter of getting the kilometers in my legs. I should be fine by May or June."

"Next year — each year I say 'next year' — I want to train well in January and be in good shape when the season starts. But it never happens."

Part of the problem is that when LeMond returned to Europe on Jan. 22 from the four-month layoff between seasons, he was four kilograms (8.8 pounds) overweight. Half that weight has since been lost.

"I'm at 74 kilos now," he said sheepishly, "still two kilos over my best weight. That's nearly five extra pounds to carry up each hill."

He looks solid and explains that his extra weight is not fat but upper-body muscle developed while cross-country skiing near his home in Wayzata, Minnesota. He had trained hard during November and December, mostly by roller-skating and riding cyclocross, he said, but a slight flu and business obligations had then cut short his roadwork.

"Everybody would like to see the world champion racing really well from February on, but my responsibility is to race really well



LeMond: 'I found myself overwhelmed.'

in the Tour de France. As usual, that's my main goal."

Before that race in July, LeMond expects to ride in some of the April classics, or one-day races, the Tour de Trump and the Giro d'Italia in May and the Tour of Switzerland in June. After the Tour de France, his major dates are the world championships in Japan in September, then the fall classics in Europe.

"I'm still hoping to win a classic, maybe Paris-Roubaix, but the two races I really want to do well in are the Tour de Trump and the Tour de France," he said. "The Tour de France for obvious reasons, the Tour de Trump because it's at home."

The price of success is worth paying, he said, not bothering to mention the nearly \$2 million he will make this year in salary from the Z team.

"I keep saying I'm suffering and it's hurting, but overall I can't complain. I'm extremely happy. I'm enjoying myself."

## Austrians Dominate In Slalom

The Associated Press

**STRANDA, Norway** — Karin Buder won a women's slalom Sunday for her first World Cup victory as Austrians swept the first three spots and six of the top seven.

Buder, 26, timed in 1 minute 25.57 seconds, finished ahead of Claudia Strobl and Anita Wachter. Camilla Nilsson of Sweden squeezed in among the Austrians to finish fourth.

Vreni Schneider of Switzerland abandoned the race in the second round, opening up the battle for the slalom title. Schneider's 27-point lead over Strobl shrank to seven with two races left.

On Saturday, Carole Merle of France won the women's giant slalom in Stranda, her third straight victory. Kristi Tordun of the United States was second, followed by Florence Masnadé of France.

Wachter finished 12th, but clinched the giant slalom title.

In a men's super giant slalom Saturday in Hemsedal, Norway, Pirmin Zurbriggen of Switzerland beat teammate Karl Alpgier by .05 seconds to win the super giant slalom title. Last weekend, Zurbriggen clinched his record-tying fourth overall title.

It was the 40th victory in a 10-year career for Zurbriggen, who is to retire at the end of the season.

## For the Record

Red Kneass, a leading Kentucky Derby prospect, was found Friday to have suffered a torn tendon sheath that will probably force him to miss the Triple Crown races.

(NYT)

A foursome from the University of Texas ran the fastest women's 1,600-meter relay in indoor history, clocking 3 minutes, 32.01 seconds Saturday in the National Collegiate Athletic Association Track and Field Championships in Indianapolis. But the time will not count as a world record, because anchor runner Stacie Richards is from Jamaica; to be eligible for a world record, all four runners must be from the same country.

(AP)

Philippe Collet of France set a national pole vault record of 19 feet, 6 inches (5.94 meters), improving his own record of 19-5.4, in the Masters competition Saturday in Grenoble, France. World record-holder Sergei Bubka of the Soviet Union was second at 19-4.4, with his compatriot, indoor world champion Rodion Gamsulin, third at 18-10.7.

(AP)

The former Czechoslovak long-distance runner Emil Zatopek, 67, has received a formal apology from Defense Minister Miroslav Vyscek for his dismissal from the national team in 1968 for his political views.

(UPI)

UEFA, the governing body of European soccer, on Saturday lifted a three-season ban from European club competition against Racing Club Strasbourg, but capped the French team to pay a fine of 150,000 Swiss francs (\$100,000) and 20,000 francs to meet appearance costs.

(AP)

Richard Hilder, 38, the New Zealand all-rounder who is the oldest successful bowler in test history, announced Sunday that he will retire from international cricket after a test against Australia that begins Thursday in Wellington.

(AP)

A federal judge in New York has consolidated law suits by Donald Trump and Don King against James (Buster) Douglas and scheduled a trial for next month on their claims to Douglas's first fight as world heavyweight champion.

(AP)

The National Hockey League reinstated Rob Probert, the Detroit Red Wings player expelled last year after his arrest on cocaine charges.

(AP)

Lee Yul Woo of South Korea won the World Boxing Association flyweight title in Seoul on Saturday with a split-decision victory over defender Jesus Rojas of Venezuela.

(AP)

Welcome to South Africa won a unanimous decision over Fabrice Benichou of France to capture the International Boxing Federation junior featherweight title in Tel Aviv on Saturday.

(AP)

Philippe Alliot of France was disqualified from Sunday's Formula One Grand Prix in Phoenix after one of his Ligier-Cosworth crewmen broke a rule by coming onto the track to work on Alliot's car after he crashed during Friday's qualifying session.

(AP)

Stefi Graf, the world's top-ranked women's tennis player, will play in a professional tournament in September in Leipzig, East Germany, the official East German news agency ADN said Sunday.

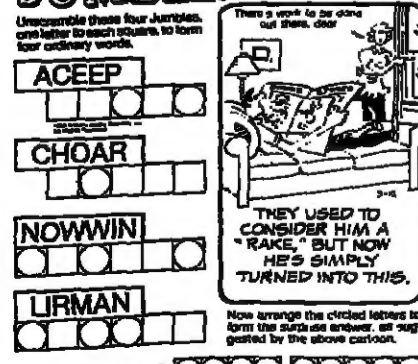
(AP)

## DENNIS THE MENACE



"OKAY, WHOSE SIDE OF THE FAMILY DID I TAKE AFTER 7:47 TIME?"

## JUNBLE

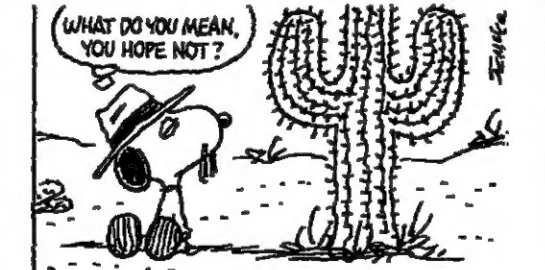


Answer here: A

## PEANUTS



THEY SAY IF TWO PEOPLE LIVE TOGETHER LONG ENOUGH, THEY BEGIN TO LOOK ALIKE



WHAT DO YOU MEAN, YOU HOPE NOT?

## BLONDIE

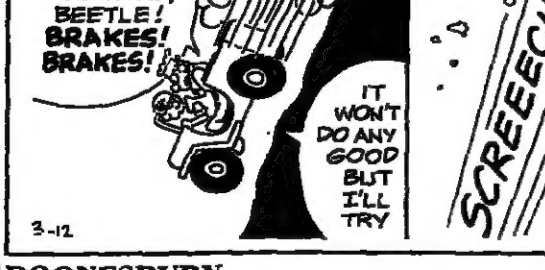


MR. BLONDIE HAS JOINED A CAR POOL



OH BOY, THAT MEANS NO MORE RUNNING FOR THE BUS

## BETTER BAILEY



WE'RE OFF THE ROAD, BETTIE! BRAKES!



IT WON'T DO ANY GOOD BUT I'LL TRY

## DOONESBURY



THE DONALD DUCKS COULD BARELY CONTAIN HIMSELF



BY THE END OF THE EVENING, MARLIN MARLES WILL BE THE HOTTEST NAME IN THE WORLD! THE HOTTEST I'VE HEARD OF!

## ANDY CAPP



HEARD THE LATEST NEWS? LAWYER'S MESSING



WHO FROM? HERE AT THE NICOL SHOP

## WIZARD of ID



IN THIS KINGDOM, A MAN IS INNOCENT UNTIL PROVEN GUILTY!



WHAT ABOUT THE IRS?

## REX MORGAN

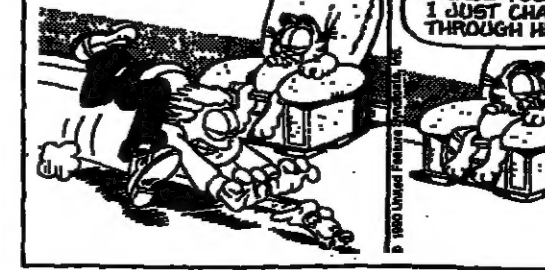


WHEN KEN CRISP TELLS BOBBY'S MOTHER OF HER SON'S CONCERN THAT ERNIE MIGHT HARM HER, SHE INSISTS THERE IS NO REASON FOR IT!



WE MAY HAVE A PROBLEM, MRS. LARSON

## GARFIELD



IN CASE YOU DIDN'T NOTICE, I JUST CUT THROUGH HERE!



BRAVO! CLAP CLAP CLAP

JP KID'S SA



## MONDAY SPORTS

## Connecticut, Michigan State and Georgia Tech Win NCAA Berths

Compiled by Our Staff From Dispatches

Grande Chris Smith, Tate George and John Gwynn led a Connecticut attack on Sunday that gave the No. 8 Huskies their first Big East tournament championship with a 76-57 victory over No. 4 Syracuse.

In a regular-season finale, Michigan State won its first outright Big Ten championship since 1976, beating Purdue.

In other conference tournaments, No. 14 Georgia Tech defeated Virginia for the Atlantic Coast Conference title and Ball State beat Central Michigan for the Mid-American championship.

Connecticut's George, who made six straight free throws in the

## COLLEGE BASKETBALL

last 30 seconds, had 22 points and Smith got 20. Gwynn came off the bench to score 16 points.

It was the first appearance in the Big East final for the Huskies (28-5). Syracuse (24-6) lost for the sixth time in eight finals.

George, Smith and Gwynn led a defense that forced 20 Syracuse turnovers. The Orangemen got 21 points from Stephen Thompson and 13 each from Derrick Coleman and Billy Owens.

David Johnson scored on a fast break to get Syracuse to 67-65, but the Orangemen did not score again for nearly three minutes and Connecticut built a 71-65 lead before Scott sank a three-point shot with 37 left.

No. 7 Michigan State 72, No. 10 Purdue 70. Dwayne Stephens came up with a steal and a basket with 20 seconds left to lift the Spartans in East Lansing, Michigan.

Michigan State (26-5, 15-3) shared the conference title in 1979, when Magic Johnson, now the star of the National Basketball Association's Los Angeles Lakers, led the Spartans to the NCAA title.

Purdue led, 70-67, with 50 seconds left on two free throws by Tony Jones.

But Michigan State's Kirk Manno, who missed the previous three games with a stress fracture in his right foot, sank a jump shot with 34 seconds remaining.

Stephens stole the ball from Jones at Michigan State's end of the court, spun to the basket and scored on a layup, putting the Spartans ahead, 71-70. Steve Smith's free throw with three seconds left provided the final margin.

No. 14 Georgia Tech 70, Virginia 61: Dennis Scott and Kenny Anderson, two-thirds of the Georgia Tech offensive arsenal, scored 18 points each, leading the Yellow Jackets to the ACC title in Charlotte, North Carolina. Brian Oliver, the final third of the Georgia Tech attack, finished with 17 points.

Ball State 78, Central Michigan 56: Billy Butts and Curtis Kidd scored 19 points each in Detroit as the Cardinals (24-6) won the Mid-American title for the second straight year.

No. 20 Illinois 69, Indiana 63: Kendall Gill scored 23 points, and the Illini gave Coach Lou Henson a school-record-tying 31st victory by holding off a second-half Hoosier rally in a Big Ten game in Bloomington, Indiana.

The victory for Henson, ending his 15th season, tied the Illinois coaching record of 316 by Harry Combes from 1948 to 1967.

In conference tournaments on Saturday:

**ATLANTIC COAST**  
Virginia 69, No. 17 Clemson 66: John Croty scored 16 points and Kenny Turner ignited a second-half surge in Charlotte, North Carolina, as Virginia (19-10) advanced to the tournament championship for the first time since 1983.

On Friday, Anthony Oliver scored eight of his career-high 23 points in overtime, leading Virginia to a 92-85 victory over North Carolina. Oliver made consecutive jumpers, the second with a minute left, to give Virginia an 88-85 edge.

No. 14 Georgia Tech 83, No. 12 Duke 72: Oliver scored 11 points in a crucial 15-3 run as the Yellow Jackets (23-6) set up the first ACC tournament final without a team from North Carolina.

On Friday, Duke had become the first team to reach 100 points in an ACC tournament game since 1983, routing Maryland, 104-84. Georgia Tech rallied from a 10-



Georgia Tech's Malcolm Mackey and Virginia's Matt Blundin armed for a rebound in the ACC final.

point halftime deficit to beat Troop North Carolina State, 76-67.

**BIG EAST**  
No. 8 Connecticut 65, No. 5 Georgetown 60: In New York, Connecticut (27-5) rallied to win in the second half for the first time this season, using a 14-0 run to overcome a 47-39 deficit.

On Friday, George scored 20 points and Connecticut's defense recorded 17 steals as the Huskies routed Seton Hall, 76-58. Georgetown had advanced, 78-71, as Dikembe Mutombo struck for 18 points and 14 rebounds and the Hoyas withstood a gutsy comeback by Providence.

No. 4 Syracuse 73, Villanova 61: Derrick Coleman had 25 points and 23 rebounds, setting a Syracuse career-scoring record and a tournament rebounding mark, as the Orangemen (24-5) gained the final for the fifth consecutive year.

Coleman broke the tournament rebounding record of 20 set by Otis Thorpe of Providence in 1984 against Seton Hall. Coleman now has 2,082 points in four years, breaking the Syracuse record of Syracuse Douglas by 22.

Friday, the Orangemen escaped with a 58-55 victory over Pittsburgh as Coleman hit a shot from the lane with 21 seconds left and made a game-saving block of a

dunk in the final seconds. Villanova made 14 free throws in the final 2:20 of its first-round game for a 70-60 victory over St. John's.

**BIG EIGHT**  
Oklahoma 95, Kansas 77: The top-ranked Sooners made 63 percent of their shots from the field and all 18 of their free throws to beat the No. 2 Jayhawks in the semifinals in Kansas City.

Oklahoma (25-5), which was to play Colorado in the final on Sunday, pulled away with a 24-8 run early in the second half. The Jayhawks (29-4) shot just 31 percent in the second half as all-conference guard Kevin Fritchard went 0-for-7 from three-point range.

On Friday, the Jayhawks set a record for most points scored in a conference tournament game, beating Iowa State, 118-75. Kansas topped the mark of 116 set by Oklahoma in 1985.

Colorado 82, Oklahoma State 72: In the other semifinal, Sham Vandiver scored 26 points and Steve Wise 22 for Colorado, which had finished last in the conference for the fourth straight season.

On Friday, Wise scored nine points in overtime as Colorado stunned No. 6 Missouri, 92-88, for Colorado's first Big Eight tournament victory since 1984.

**BIG SIX**  
Idaho 65, E. Washington 62: In Boise, Idaho, Ricardo Boyd drilled a three-pointer at the buzzer to give defending champion Idaho the victory in the conference final.

**BIG WEST**  
Long Beach St. 90, No. 23 New Mexico St. 85: Freshman Lucious Harris scored 30 points as Long Beach State extended its winning

streak to nine games and advanced to the final in Long Beach, California. On Friday, Harris scored 23 points as the 49ers cruised past Utah State, 86-69.

No. 3 UNLV 99, Pacific 72: Anderson Hunt scored 19 points and Stacey Anngom added 18 as No. 3 UNLV advanced to its seventh Big West final in eight years. UNLV (28-5) has won the tournament in five of the past six years.

## METRO ATHLETIC

No. 18 Louisville 83, St. Mississippi 80: LaBradford Smith made his first nine shots and scored 24 points, and Felton Spencer added 21 as Louisville (26-7) won the championship in Biloxi, Mississippi.

On Friday, Southern Mississippi gained its first conference final by beating Cincinnati, 75-63, and Louisville edged Memphis State, 76-73.

## MID-AMERICAN

Ball State 69, Eastern Michigan 58: Kidd and Pat McCarty rallied the top-seeded Cardinals to a come-from-behind victory.

Central Michigan 78, Miami of Ohio 76: In its upset, Central Michigan set a tournament record with 11 three-pointers, breaking the record of 10 set by Miami on Friday in its 108-80 victory over Toledo.

**MIDWESTERN COLLEGIATE**  
Dayton 98, No. 24 Xavier, Ohio 89: In Dayton, Ohio, Negele Knight had 32 points and 15 assists as the Flyers won the tournament with an upset of the regular-season champion.

## NORTH ATLANTIC

Booston U.S. Wampanoag 57: In Hartford, Connecticut, Bill Brigham had 26 points and 11 rebounds as Boston University (18-11) won the conference title for its second NCAA tournament berth in three years.

## PACIFIC-10

UCLA 79, Arizona St. 78: Trevor Wilson's 10-foot (3-meter) baseline jumper with 29 seconds left averted a second-half collapse for the Bruins (20-9) in Tempe, Arizona.

The Sun Devils, trailing by 62-42 with 12:28 left, took a 78-77 lead on Alex Austin's four-point play with 43 seconds left. After a UCLA timeout with 33 seconds left, Wilson drove the baseline and made his decisive jumper.

On Friday, Austin scored nine of his 17 points in the final 3:10 as Arizona State upset Oregon State, 83-75.

No. 15 Arizona 85, Stanford 61: Ed Stokas scored 18 points and Ed Stokas added 15 as Arizona won the title in the final 3:10 as Arizona State upset Oregon State, 83-75.

**SOUTHEASTERN**  
Mississippi 65, Vanderbilt 62: Gerald Glass made two three-pointers and two free throws in the final 52 seconds for Mississippi (13-16) in Orlando, Florida. Derrick Wilcox of the Commodores (16-14) had a chance to tie it at the buzzer but his three-pointer was off the board.

Wilcox and Scott Drand made free throws in the closing seconds of overtime on Friday to give Vanderbilt a 78-74 upset of No. 25 Georgia. Alabama 87, Auburn 71: James



Hoya Alonzo Mourning powering past UConn's Scott Burrell.

Sanders scored 21 points and Alabama (22-8) made its first six shots of the second half to open a 20-point lead.

Auburn's Derrick Dennison was held to eight points — all in the second half — after scoring 34 in the Tigers' 78-76 upset of No. 16 LSU on Friday.

## WESTERN

No. 9 Arkansas 115, Baylor 75: In Dallas, Arkansas avenged a regular-season loss to Baylor by breaking the tournament single-game scoring mark of 111 points set by Houston in 1981.

Houston 89, Texas 86: Craig Upchurch, Byron Smith, and Carl Herrera scored in double figures as Houston won its 13th straight. Tom Fenders, the Texas coach, was ejected with 2:59 to play after receiving his third technical foul.

**SOUTHWESTERN ATHLETIC**  
Southern University 120, Alabama State 94: Joe Faulkner scored 29 points and Robert Youngblood added a season-high 28 as top-

seeded Southern routed Alcorn State in Houston.

Texas Southern 105, Mississippi Valley 75: Charles Price led a first-half long-range shooting exhibition as Texas Southern made seven of 13 three-point shots in a 20-minute span, with Price hitting four.

## WESTERN ATHLETIC

Texas-El Paso 75, Hawaii 58: Marlon Macey scored 17 points and Greg Foster added 16 as Texas-El Paso won the conference championship in El Paso, Texas.

**In non-tournament games:**  
Ohio St. 93, No. 19 Minnesota 83: Perry Carter scored 24 points and Ohio State (16-12) held off a late rally in Columbus, Ohio, in a game that saw 71 fouls and 71 free throws. Minnesota (21-7) committed 30 fouls and Ohio State 27.

No. 13 Michigan 127, Iowa 96: In Ann Arbor, Michigan, Demetrius Calip scored 17 of his 22 points in the first half as Michigan (22-7) avenged an earlier loss to Iowa. (AP, UPI)

## Gathers Family to File Suit, \$1 Million Unclaimed

Los Angeles Times Service

LOS ANGELES — An attorney for the family of Hank Gathers has announced that a lawsuit will be filed against those believed responsible for the basketball player's sudden death.

And it was learned, Gathers might have collected on a \$1 million insurance policy in December, when he was diagnosed as having an irregular heartbeat, had he quit playing then.

The Loyola Marymount star, 23, collapsed last Sunday during a West Coast Conference tournament game and died 1 hour and 40 minutes later at a hospital.

Among the most serious claims made by Bruce Fagel, a Beverly Hills attorney who was previously a physician specializing in emergency

medicine, was that someone in the Loyola athletic department requested a reduction in Gathers' medication. Fagel said that request, obtained in medical records, was "because it was affecting his play."

Fagel said his staff was trying to determine who was involved in allowing Gathers to play and whether proper medical standards were followed after Gathers collapsed. The defendants will be named after that, he said.

"Clearly the university wanted Mr. Gathers to play and they were involved," Fagel said. "I'm not sure if it was the coach or trainer. It is obvious at this time the university is as much or more involved than the physicians in the circumstances that led to Gathers' death. I want to find out who at the university intervened in making decisions per-

tinuing to medication dosages as well as the decision to play."

Martin Burke, Loyola's legal counsel, said Friday night the university was cooperating with Fagel's investigation.

"The threat of a lawsuit requires, however, that we consult with our insurance carriers and their legal counsel," Burke said. "We will do this on Monday. The university is convinced that Hank Gathers had outstanding physicians and that the administration acted responsibly. He was only allowed to resume his athletic activities following written release by his physicians."

Gathers purchased a \$1-million policy from Lloyd's of London last May to guard against career-ending injury or illness during his senior season at Loyola.

The policy, which ran until May of this year, can no longer be cashed because it does not contain a provision for death.

"We don't yet know exactly what Hank's condition was," said Mike Petersen, vice president of Petersen Marketing & Management Corp., the Los Angeles correspondent for Lloyd's of London that handled Gathers' policy. "But this is a good example of a situation where a policy might have paid off. If the doctors state that he can never play basketball again because of his condition, that would qualify under the definition of the policy."

As it is, according to Petersen, Lloyd's has agreed to return the \$6,000 premium Gathers paid to obtain the policy — a mere token, industry sources said, may be unprecedented for the company.

## SCOREBOARD

## BASKETBALL

## NBA Standings

## EASTERN CONFERENCE

| Team | W | L | Pct | GB |
|------|---|---|-----|----|
|------|---|---|-----|----|

|          |    |    |      |  |
|----------|----|----|------|--|
| New York | 32 | 22 | .591 |  |
|----------|----|----|------|--|

|              |    |    |      |       |
|--------------|----|----|------|-------|
| Philadelphia | 31 | 23 | .570 | 1 1/2 |
|--------------|----|----|------|-------|

|            |    |    |      |       |
|------------|----|----|------|-------|
| Washington | 30 | 24 | .556 | 2 1/2 |
|------------|----|----|------|-------|

|         |    |    |      |       |
|---------|----|----|------|-------|
| Orlando | 29 | 25 | .538 | 3 1/2 |
|---------|----|----|------|-------|

|         |    |    |      |       |
|---------|----|----|------|-------|
| Atlanta | 28 | 26 | .519 | 4 1/2 |
|---------|----|----|------|-------|

|           |    |    |      |       |
|-----------|----|----|------|-------|
| Cleveland | 27 | 27 | .500 | 5 1/2 |
|-----------|----|----|------|-------|

|         |    |    |      |       |
|---------|----|----|------|-------|
| Indiana | 26 | 28 | .481 | 6 1/2 |
|---------|----|----|------|-------|

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|-----------|----|----|------|-------|
| Charlotte | 25 | 29 | .463 | 7 1/2 |
|-----------|----|----|------|-------|

|          |    |    |      |       |
|----------|----|----|------|-------|
| Portland | 24 | 30 | .444 | 8 1/2 |
|----------|----|----|------|-------|

|      |    |    |      |       |
|------|----|----|------|-------|
| Utah | 23 | 31 | .429 | 9 1/2 |
|------|----|----|------|-------|

|        |    |    |      |        |
|--------|----|----|------|--------|
| Denver | 22 | 32 | .408 | 10 1/2 |
|--------|----|----|------|--------|

|        |    |    |      |        |
|--------|----|----|------|--------|
| Dallas | 21 | 33 | .389 | 11 1/2 |
|--------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Houston | 20 | 34 | .370 | 12 1/2 |
|---------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Memphis | 19 | 35 | .353 | 13 1/2 |
|---------|----|----|------|--------|

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|-------------|----|----|------|--------|
| San Antonio | 18 | 36 | .333 | 14 1/2 |
|-------------|----|----|------|--------|

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|---------|----|----|------|--------|
| Phoenix | 17 | 37 | .313 | 15 1/2 |
|---------|----|----|------|--------|

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|-------------|----|----|------|--------|
| Los Angeles | 16 | 38 | .294 | 16 1/2 |
|-------------|----|----|------|--------|

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|--------------|----|----|------|--------|
| Golden State | 15 | 39 | .274 | 17 1/2 |
|--------------|----|----|------|--------|

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|-----------|----|----|------|--------|
| San Diego | 14 | 40 | .255 | 18 1/2 |
|-----------|----|----|------|--------|

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|---------|----|----|------|--------|
| Seattle | 13 | 41 | .235 | 19 1/2 |
|---------|----|----|------|--------|

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|----------|----|----|------|--------|
| Portland | 12 | 42 | .216 | 20 1/2 |
|----------|----|----|------|--------|

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|----------|----|----|------|--------|
| San Jose | 11 | 43 | .196 | 21 1/2 |
|----------|----|----|------|--------|

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|---------|----|----|------|--------|
| Phoenix | 10 | 44 | .176 | 22 1/2 |
|---------|----|----|------|--------|

|              |   |    |      |        |
|--------------|---|----|------|--------|
| Golden State | 9 | 45 | .156 | 23 1/2 |
|--------------|---|----|------|--------|

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|-----------|---|----|------|--------|
| San Diego | 8 | 46 | .136 | 24 1/2 |
|-----------|---|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Seattle | 7 | 47 | .116 | 25 1/2 |
|---------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| Portland | 6 | 48 | .095 | 26 1/2 |
|----------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| San Jose | 5 | 49 | .075 | 27 1/2 |
|----------|---|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Phoenix | 4 | 50 | .056 | 28 1/2 |
|---------|---|----|------|--------|

|              |   |    |      |        |
|--------------|---|----|------|--------|
| Golden State | 3 | 51 | .036 | 29 1/2 |
|--------------|---|----|------|--------|

|           |   |    |      |        |
|-----------|---|----|------|--------|
| San Diego | 2 | 52 | .016 | 30 1/2 |
|-----------|---|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Seattle | 1 | 53 | .000 | 31 1/2 |
|---------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| Portland | 0 | 54 | .000 | 32 1/2 |
|----------|---|----|------|--------|

## WESTERN CONFERENCE

| Team | W | L | Pct | GB |
|------|---|---|-----|----|
|------|---|---|-----|----|

|             |    |    |      |  |
|-------------|----|----|------|--|
| Los Angeles | 32 | 22 | .591 |  |
|-------------|----|----|------|--|

|          |    |    |      |       |
|----------|----|----|------|-------|
| Portland | 31 | 23 | .570 | 1 1/2 |
|----------|----|----|------|-------|

|      |    |    |      |       |
|------|----|----|------|-------|
| Utah | 30 | 24 | .556 | 2 1/2 |
|------|----|----|------|-------|

|         |    |    |      |       |
|---------|----|----|------|-------|
| Phoenix | 29 | 25 | .538 | 3 1/2 |
|---------|----|----|------|-------|

|             |    |    |      |       |
|-------------|----|----|------|-------|
| San Antonio | 28 | 26 | .519 | 4 1/2 |
|-------------|----|----|------|-------|

|        |    |    |      |       |
|--------|----|----|------|-------|
| Dallas | 27 | 27 | .500 | 5 1/2 |
|--------|----|----|------|-------|

|         |    |    |      |       |
|---------|----|----|------|-------|
| Houston | 26 | 28 | .481 | 6 1/2 |
|---------|----|----|------|-------|

|          |    |    |      |       |
|----------|----|----|------|-------|
| San Jose | 25 | 29 | .463 | 7 1/2 |
|----------|----|----|------|-------|

|              |    |    |      |       |
|--------------|----|----|------|-------|
| Golden State | 24 | 30 | .444 | 8 1/2 |
|--------------|----|----|------|-------|

|             |    |    |      |       |
|-------------|----|----|------|-------|
| Los Angeles | 23 | 31 | .429 | 9 1/2 |
|-------------|----|----|------|-------|

|           |    |    |      |        |
|-----------|----|----|------|--------|
| San Diego | 22 | 32 | .408 | 10 1/2 |
|-----------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Seattle | 21 | 33 | .389 | 11 1/2 |
|---------|----|----|------|--------|

|          |    |    |      |        |
|----------|----|----|------|--------|
| Portland | 20 | 34 | .370 | 12 1/2 |
|----------|----|----|------|--------|

|          |    |    |      |        |
|----------|----|----|------|--------|
| San Jose | 19 | 35 | .353 | 13 1/2 |
|----------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Phoenix | 18 | 36 | .333 | 14 1/2 |
|---------|----|----|------|--------|

|              |    |    |      |        |
|--------------|----|----|------|--------|
| Golden State | 17 | 37 | .313 | 15 1/2 |
|--------------|----|----|------|--------|

|           |    |    |      |        |
|-----------|----|----|------|--------|
| San Diego | 16 | 38 | .294 | 16 1/2 |
|-----------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Seattle | 15 | 39 | .274 | 17 1/2 |
|---------|----|----|------|--------|

|          |    |    |      |        |
|----------|----|----|------|--------|
| Portland | 14 | 40 | .255 | 18 1/2 |
|----------|----|----|------|--------|

|          |    |    |      |        |
|----------|----|----|------|--------|
| San Jose | 13 | 41 | .235 | 19 1/2 |
|----------|----|----|------|--------|

|         |    |    |      |        |
|---------|----|----|------|--------|
| Phoenix | 12 | 42 | .216 | 20 1/2 |
|---------|----|----|------|--------|

|              |    |    |      |        |
|--------------|----|----|------|--------|
| Golden State | 11 | 43 | .196 | 21 1/2 |
|--------------|----|----|------|--------|

|           |    |    |      |        |
|-----------|----|----|------|--------|
| San Diego | 10 | 44 | .176 | 22 1/2 |
|-----------|----|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Seattle | 9 | 45 | .156 | 23 1/2 |
|---------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| Portland | 8 | 46 | .136 | 24 1/2 |
|----------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| San Jose | 7 | 47 | .116 | 25 1/2 |
|----------|---|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Phoenix | 6 | 48 | .095 | 26 1/2 |
|---------|---|----|------|--------|

|              |   |    |      |        |
|--------------|---|----|------|--------|
| Golden State | 5 | 49 | .075 | 27 1/2 |
|--------------|---|----|------|--------|

|           |   |    |      |        |
|-----------|---|----|------|--------|
| San Diego | 4 | 50 | .056 | 28 1/2 |
|-----------|---|----|------|--------|

|         |   |    |      |        |
|---------|---|----|------|--------|
| Seattle | 3 | 51 | .036 | 29 1/2 |
|---------|---|----|------|--------|

|          |   |    |      |        |
|----------|---|----|------|--------|
| Portland | 2 | 52 | .016 | 30 1/2 |
|----------|---|----|------|--------|



